

(3) Meetings Attended: Usual AZC sessions and a special meeting with [deleted].

(4) Interviews and Discussion: With [deleted].

(5) Chapter Activities: (a) The Philadelphia group had another session on July 10th to plan their October 21st seminar.

(b) The Los Angeles chapter reorganized at a special meeting on July 24th [deleted].

(c) The New Jersey chapter has sent out a letter to the various Chairwomen of Mission Study groups of the United Churchwomen Councils of Northern New Jersey offering them their assistance in developing a program around the Missionary Study theme.

D. Film Library

During July, we serviced 15 film requests.

E. Visitors to Israel and the Middle East

We have communicated with Dr. Alisa Klausner here in Tel Aviv about the following individuals going to the area:

- (1) [Deleted.]
- (2) [Deleted.]
- (3) [Deleted.]
- (4) [Deleted.]

F. Distribution of Literature

We have been receiving so many requests from Sunday Schools for our materials on Israel, i.e., brochures on Children's Memorial Forest and Israel among the Nations, that we have found it necessary to mimeograph a covering letter to accompany packets of these literature items.

The new edition of *In Search of Brotherhood in the Holy Land* is now ready and available for distribution. A copy is attached.

We have received a request from the Canadian Institute on Public Affairs in Toronto for *Land Reborn* and copies of our other pamphlets on Israel in connection with their 25th annual "Couching" conference which is being held in a few weeks. In response we sent them 25 copies of last issue of *Land Reborn*, *Pilot Plant in the Middle East*, *In Search of Brotherhood in the Holy Land*, *The Middle East: Crossroads of World Tensions*.

G. Children's Memorial Forest

As a result from the literature packets we have been sending to Sunday Schools across the country which include brochures on the Children's Memorial Forest, remittances for the purchase of trees in the Children's Memorial Forest have been increasing.

H. The Negro Community

[Deleted.]

A special meeting was held with the Rev. [deleted] on July 29th wherein we made plans for a concert program to reach into Harlem. It will be a supplementary project and will ultimately help us to prepare the kinds of materials that might be useful and also give us some better clues as to what approaches we ought to take by way of speakers in the Negro community.

Work is continuing on some possible articles. It is our hope that Mrs. Vivian Mason, upon her return from the Study Tour, will have something to offer in this respect.

I. Special Projects

(1) *Letters to the Editor of "Life"*.—An article on the last testament of Nuri ed Said appeared in the July 26th issue of *Life*. A rather lengthy letter was sent in by [deleted]. Others who were contacted in the hope that they would submit briefer notes were [deleted].

(2) *General Letters to the Editor*.—(a) Hugo Jaeckel prepared a draft reply for [deleted] to send to the Dallas Morning News in answer to their editorial of July 22nd. (b) A letter replying to statements by [deleted] which appeared in the Syracuse, New York, Post-Standard of [deleted] was answered by the Rev. [deleted]. (c) I prepared a reply to a negative editorial which appeared in *The Lutheran* of [deleted] and sent it to the Rev. [deleted] in the hope that he would submit it to the editor of *The Lutheran*. (d) I also sent a letter to Mr. Creed Black of *The Nashville Tennessean* commenting on his assertion

that responsible Arab leaders do not believe that the Jews of Israel have to be driven into the sea. (e) An article on Jewish refugee accompanied by a sequence of pictures was sent to the editor of the Methodist publication, *Together*. Recently they had a similar kind of story with a picture sequence on Arab refugees. However, Dr. Case, editor of *Together*, returned the material indicating that they felt they couldn't use it although they were very much impressed with the materials.

(3) *Pictures for the Religious Press*.—Our picture of the Yemenite and his lamb has appeared in at least a half-dozen religious journals. Also, very recently there appeared the picture we sent out almost a year ago which featured a dancing scene at the Bahlia Festival.

(4) *Statue Shalom*.—Activities on the Statue Shalom project are continuing, especially in Los Angeles. Efforts are being made to get [deleted] to join the board of the "American Committee for Statue Shalom".

(5) *Pen Pal Project*.—We received a request from a [deleted] of the Pen Pal Committee of the Children's Plea for Peace at the World Affairs Center Pen Pal Committee of the Children's Plea for Peace at the World Affairs Center in Minneapolis, Minn., for a list of names of young people in Israel who would want to correspond with young people here in America. Through [deleted] of the Israel Commission for UNESCO, Letter Exchange Service, we were able to secure such a list which we forwarded to [deleted]. When and if we receive similar lists of prospective correspondents, we will continue to forward them to [deleted].

J. "Land Reborn" Mailing List

During the past month, we began work on the transfer of our *Land Reborn* mailing list from Addressoplate to the Perfect Letter Shop. Before transferring the plates, however, he found it necessary to reorganize them, check, and make correction. We feel confident that the new arrangement will eliminate many of the errors that constantly slipped by when the list was kept at Addressoplate.

K. B.

AMERICAN CHRISTIAN PALESTINE COMMITTEE,
New York, N.Y., November 5, 1958.

Re October Monthly Report.

Rabbi Jerome Unger.

The Rev. Karl Baehr.

A. Annual ACPG Study Tour

Our June Study Tour members continue to do an excellent job of speaking and writing. [Deleted] has been doing a great amount of lecturing in the Chicago area. [Deleted] in the New Jersey region is averaging two to three speeches a week. The newspaper stories by [deleted] were reprinted and distributed and he, too, is doing a considerable amount of speaking in his area. These activities are symbolic of what each Study Tour member is carrying on.

We are promoting a "Peace and Good Will Study Tour to the Middle East" for the Christmas season. It is to be a Christmas-in-Bethlehem tour. Our reasons for attempting to promote a Study Tour at this time are that the Middle East is quiet and that individuals who will have this tour experience will return in time to participate effectively in the Mission Study Program for the rest of this church year. Thus far, the response has not been especially encouraging, though, of course, the notices have only recently been sent out.

B. Land Reborn

See Hugo Jaeckel's report which is attached.

C. Field Activities

(1) Hugo Jaeckel's vacation has delayed the production of the October issue of the ACPG Newsletter. It is in the writing stage at the present time and will appear as the November issue. The September Newsletter, which dealt further with the Mission Study material, had a good response. In fact, we have not been able to fill all of the requests for additional copies.

(2) During October, I made the following appearances: Oct. 1st, over Radio Station WSTC, Stamford, Conn., for a 15-minute broadcast; Philadelphia ACPG seminar on Oct. 21st; Arlington, Va., seminar on Oct. 27th; St. John's Lutheran

Church Women's Guild on Oct. 28th; AAUN conference on Oct. 29th; *Congregational Clergymen Association on Oct. 10th; [deleted]; usual AZC staff meeting and a meeting of the Committee on Community Contacts on Oct. 10th.

(3) Interviews and Discussions: With [deleted].

(4) Chapter Activities: (a) The Philadelphia ACPC chapter had its seminar on October 21st. Although the attendance was not as large as was expected, the response nevertheless was very good. The speakers were [deleted] and myself.

(b) The Supper and Seminar in Arlington, Va., on Oct. 27th sponsored by the Northern Virginia Clergymen Committee was a success. Despite [deleted] efforts to sabotage the affair, the attendance was good and the response heartening.

(c) The Boston ACPC group is thinking of organizing some television programs.

(d) The New Jersey chapter is reaching clubs and organizations in the area offering them services for further study and information on the Middle East and are achieving unique success.

(e) Indianapolis is continuing their monthly meetings. [Deleted.]

(f) The Chicago group met a few times on the Mission Study Program and on the possibility of holding a regional seminar in December.

(g) Rochester had a meeting at the Colgate Rochester Divinity School on October 29th. [Deleted.]

D. Film Library

We are considering the possibility of utilizing the services of the Institute of Visual Training which would show our film, "Israel, Land Reborn," on television. During October, we serviced 30 film requests.

E. Visitors in Israel and the Middle East

A group of (city) notables, including Mayor [deleted], [deleted], head of the [deleted] unit of the [deleted] newspapers, and [deleted], President of the University of [deleted] are making a visit to Israel as guests of the Israel Government. The invitation was arranged by Rabbi [deleted].

F. Distribution of Literature

[Deleted.]

Due to the fact that we have exhausted our supply of the Elfan Rees article on the refugees and are still receiving innumerable requests for it, we are now in the process of having it reprinted.

We are still receiving requests for our Conferences pamphlet, *The Middle East: Crossroad of World Tension*, i.e., 25 copies were sent to the Director of the United Church Women in Buffalo, New York, and 100 copies were sent to the Canadian Institute of International Affairs; also 20 copies were sent to the Chicago Council on Foreign Relations.

Numerous requests continue to come in for our maps of Israel and the Near East and the Mediterranean and Pilot Plant in the Middle East as a result of the notice placed in *The Christian Science Monitor* of September 17th.

The Minnesota Jewish Council requested and were sent 50 copies of Dr. Voces' *The Palestine Problem Today*.

G. Children's Memorial Forest

During October, we received a record amount of contributions for the purchase of trees in the Children's Memorial Forest. This marked interest in the project is due to the wide distribution of brochures on the Forest.

H. The Negro Community

Our work with the Negro Community continues. Mrs. Vivian Mason is very active and we are contemplating sending out some pictures once again to the Negro Press.

I. Carnegie Endowment Series

We have been singularly unsuccessful in getting the kind of speakers we desire for this program. We have not been able to agree on a date for either the Rev. [deleted], [deleted], or the Rev. Dr. [deleted] of the [deleted]. Part of the difficulty stems from the fact that the Carnegie Endowment Center is so booked up that we really have very few dates with which to work. As a result, we are going to have to hold off on these meetings until the first part of January.

*Meetings attended.

J. Special Projects

(1) *Mission Study Program*.—We are continuing to service groups and individuals across the country with our materials on Israel and the Middle East. It is increasingly apparent that our effort to give positive information about Israel to church groups studying the Middle East has been successful. In dozens of communities, the local Zionist Councils or individuals Zionist groups have made excellent contacts with their Christian friends and are supplying supplementary materials including literature, films, and speakers.

(2) *Statue Shalom*.—This project is in a state of quiescence for the simple reason that the political campaign has made it impossible for us to reach those whom we want to include on our list of national sponsors. As soon as the election is over, we hope to make some rapid progress with this project.

(3) *Israel Tenth Anniversary Sermon and Article Contest*.—This project has been concluded. The winners in the Sermon division are as follows: [deleted]. In the Article division [deleted].

(4) *Midwest Regional Conference*.—Plans are well underway for a conference to be held in Chicago, December 4th, 5th, and 6th at the Congress Hotel. Instead of having one national conference next year, we are planning two regional conferences—the second one to take place probably in San Francisco sometime next spring. Tentatively the Chicago conference is to be entitled, "The Middle East: Test Area for Development." We are hopeful that one of our major speakers will be Eric Johnston.

(5) *Special Correspondence*.—Sent a letter to the editor of the Bible Banner of the Lutheran Bible Institute in Seattle, Washington; commenting on two articles with anti-Israel material in them. Also, a special letter was sent to Bishop [deleted] of [deleted] expressing both amazement and regret that he became associated with the [deleted] manuscript. Bishop [deleted] responded that he profoundly regretted any implication that he is hostile to Israel because, as he put it, "I am unreservedly committed to Israel." Copies of my letter to [deleted] Bishop [deleted] and Bishop [deleted] in the hope that they, too, might encourage [deleted] to withdraw his support from the [deleted] letter and materials.

(6) *Special Articles*.—Prepared a draft article on Missions in the Middle East for Dr. [deleted], co-editor of the [deleted] which he hopes to use as a basis for an article to be prepared by someone like Dr. [deleted]. Also, we reworked an article by Dr. [deleted] dealing with the Mission Study Program materials which he is to send to *The Christian Century*. Failing to have it printed there, he will send it to *Christianity and Crisis*, and failing there probably to the *Christian Advocate* and other church journals.

K. B.

AMERICAN CHRISTIAN PALESTINE COMMITTEE,
New York, N.Y., February 10, 1959.

Re January monthly report.

Rabbi Jerome Unger.

The Rev. Karl Baehr.

A. Annual ACPC Study Tour

Our three ministers who went on our Christmas Study Tour have reported a wonderful experience. Already they are beginning to speak in their local communities. [Deleted.]

The itinerary for our June tour is practically complete and letters will go out soon announcing the tour.

B. Land Reborn

We have received many favorable comments on my article, "The Arab-Israel Challenge to the Church," which appeared in the November-December 1958 issue of *Land Reborn*. The Rev. [deleted] of the Lutheran Mission to Israel in Minneapolis is reprinting the article in his journal, *The Israel Messenger*.

See Hugo Jaeckel's report which is attached for a more detailed report.

C. Field Activities

(1) Our January 1959 ACPC Newsletter, a copy of which is enclosed, featured a discussion of the tri-faith approach to the Middle East problem. This general theme will also be dealt with at our opening session of the Chicago Conference. The reactions thus far have been good.

(2) During January, I made the following appearances: Hillside Methodist Women's Society, New Hyde Park, L.I., Jan. 15th; Atlanta Christian College, Atlanta, Ga., Jan. 19th; American Zionist Council luncheon, Jan. 19th; Annual Non-Partisan Legislative Conference, Brooklyn, Jan. 26th; Luncheon Seminar and Community evening meeting, Burlington, Vt., Jan. 28th; lecture about ACPC at the Israel Office of Information, Jan. 9th.

(3) Interviews and Discussions: [deleted].

(4) Meetings Attended: Committee on Community Relations [deleted], Jan. 6th; met at Brooklyn College with [deleted] about an institute program on Israel for Brooklyn College on Jan. 8th; FPA Human Rights celebration, Jan. 9th; met with [deleted] about NYU Conference on Israel and her neighbors, Jan. 12th; [deleted]; met with Bartley Crum, Bookstein (sic), Rose Halprin, Rabbi Unger about ACPC incorporation, Jan. 23d; [deleted].

(5) Chapter Activities: (a) The ACPC chapter in Atlanta, Ga., held a meeting on Jan. 19th.

(b) The Rochester group is planning to have a seminar on April 8th.

(c) San Francisco [deleted] has organized a chapter with outstanding citizens such as [deleted].

(d) The New Jersey chapter is cooperating with [deleted] in setting up a series of meetings on the Middle East and Israel.

(e) The Chicago group had a session on Israel's rebirth in the Middle East on Jan. 21st at which [deleted] spoke.

(f) Tulsa is concerned about anti-Israel developments in its area and is interested in a possible seminar or some other activity to help present a pro-Israel viewpoint effectively.

(g) Indianapolis held its monthly meeting on Jan. 7th and featured the Rev. [deleted] who lectured on the Dead Sea Scrolls and showed slides.

D. Film Library

Our film, "Israel, Land Reborn" had a special showing at a meeting of the United Church Women of the Detroit Council of Churches on January 26th.

During January, we serviced 21 film requests.

E. Visitors to Israel and the Middle East

We cooperated with [deleted] in planning a trip to Israel and the Middle East for the Rev. [deleted]. The ACPC granted him a \$250 travel fellowship.

[Deleted.]

[Deleted] is planning to return to Israel and the Middle East. He had visited the area during the summer of 1958. We have been of assistance by giving him names of individuals with whom he should be in touch when he returns to the area.

F. Distribution of Literature

We are receiving many requests for copies of the reprint of my article, "The Arab-Israel Challenge to the Church."

As a result of the announcement in the ACPC Newsletter of December 1958 regarding the availability of Dr. Nelson Glueck's latest book at a discount price we have been receiving orders for *Rivers in the Desert*.

[Deleted.]

We continue to receive numerous requests for our literature, i.e., *The Middle East: Crossroads of World Tension and Pilot Plant in the Middle East*.

G. Children's Memorial Forest

Contributions are still coming in for the purchase of trees in the Children's Memorial Forest. Brochures concerning this project are included in literature kits.

H. Carnegie Endowment Series

Our meeting with the Rev. Dr. James H. Robinson was well attended and enthusiastically received. The essence of his speech will appear as an article in the next issue of *Land Reborn*.

I. The Negro Community

News releases on the James Robinson speech at the Carnegie Endowment Center were sent to the Negro Press.

Mrs. Vivan Mason is continuing to get speaking outlets at Negro colleges and institutions primarily in the South.

J. Special Projects

(1) *Mission Study Program*.—[Deleted.]

We continue to service groups studying the Middle East under the Mission Study Program with packets of our literature.

Efforts are now being made to get friendly clergymen to approach their denominational leaders about changing their denomination's attitude on the Middle East question—a change of attitude being made imperative by examination of the Mission Study materials.

(2) *Midwest Regional Conference*.—Our program for the Midwest Regional Conference is set. It now also includes [deleted]. However, reservations to attend the Conference have been difficult to secure and the attendance will not be as good as we had hoped for.

K.B.

AMERICAN CHRISTIAN PALESTINE COMMITTEE,
New York, N.Y., February 11, 1959.

Re Monthly Report for January.

Karl Baehr.

Hugo Jaekel.

(1) Copy for the January-February issue of *Land Reborn* was turned over to the printer at the end of the month. Included in this number are articles by: Dr. James H. Robinson on Israel and Africa; Drs. T. Ouresh and Edwin Calverley on Islam; Sanford Griffith on Israel's economic development and Ellis Hartford on the Coptic Museum in Cairo.

(2) Edited and prepared January Newsletter.

(3) Miscellaneous—prepared various statements, flyers, etc., including: Questionnaire to Study Tour members; ACPC phototext series; Brotherhood message; publicity for Robinson luncheon.

The CHAIRMAN. Would you identify the Reverend Karl Baehr and Mrs. Rose Halprin?

Mr. HAMMER. Well, Mrs. Rose Halprin was acting chairman of the American Section of the Jewish Agency. She was vice chairman of the Jewish Agency for Israel, Inc. I must say that I have never seen these reports before. It is quite likely, and I don't question the fact that copies of these things may have been sent to Mrs. Halprin. Rabbi Jerome Unger, to whom these reports are addressed, is the executive director of the American Zionist Council. The Reverend Karl Baehr, as I recall is the director of the American Christian Palestine Committee.

The CHAIRMAN. And these reports then apparently were rendered by Rev. Karl Baehr to Rabbi Jerome Unger with a copy going to Mrs. Rose Halprin in your organization; is that correct? I just wanted to identify them for the record. I am not going to read them.

Mr. HAMMER. For the record, Mr. Chairman, I see these reports are addressed by the Reverend Karl Baehr to Jerome Unger.

I do not see any reference to Mrs. Halprin.

The CHAIRMAN. It says at the bottom of page 4, "copies to Mrs. Judith Epstein"; who is she?

Mr. HAMMER. She is a member of the American Zionist Council.

The CHAIRMAN. And "Mrs. Rose Halprin." She is in your organization.

Mr. HAMMER. But Mrs. Rose Halprin, as I recall, was also a member of the American Zionist Council. Mrs. Halprin is a former president

of Hadassah and may well have been designated—I believe she was designated—as one of the Hadassah representatives to the American Zionist Council.

The CHAIRMAN. Weren't these reports in your files?

Mr. HAMMER. They were not in my files, sir. This is the first time I have seen them, I don't know. Now, they may have been sent to Mrs. Halprin in her individual capacity and they may have been in her files.

The CHAIRMAN. Can you determine for us whether or not these were in your files or not?

Mr. HAMMER. I can say to you right now, I have never seen these reports before.

Mr. BOUKSTEIN. Mr. Chairman, may I say a word to you about this?

The CHAIRMAN. Yes.

Mr. BOUKSTEIN. There isn't any doubt in my mind that these reports were in the files of Mrs. Halprin but it isn't clear whether they were sent in her capacity as chairman or vice chairman of the Agency organization or whether they were sent to here in her personal capacity. I am sure they were from the files of Mrs. Halprin in Mrs. Halprin's office.

The CHAIRMAN. In the Jewish Agency?

Mr. BOUKSTEIN. In the Agency, because that is where her office is. She gets personal correspondence and personal communications there, too.

The CHAIRMAN. But at the time of these reports the Agency was supporting the ACPC.

Mr. BOUKSTEIN. That is correct.

The CHAIRMAN. It wouldn't be—

Mr. BOUKSTEIN. It could very well be in either capacity.

The CHAIRMAN. It would be quite normal that having—being supported at that time, they would report to you, would it not?

Mr. HAMMER. Not the American Christian Palestine Committee, not to us. They would report to the American Zionist Council, and still do.

SUPPORT OF ACPC

The CHAIRMAN. But through the American Zionist Council you were contributing to their support. You were interested in what the American Zionist Council—

Mr. HAMMER. We were making it possible for the American Zionist Council to support the American Christian Palestine Committee.

The CHAIRMAN. That is right.

Mr. HAMMER. But I don't recall ever having been present at a discussion in the American Jewish Agency at which the affairs of the American Christian Palestine Committee came up or where these things, these reports, were received or commented on.

Mr. BOUKSTEIN. May I say a thing off the record, Senator?

The CHAIRMAN. Go ahead and put it on the record.

Mr. BOUKSTEIN. This is a story I will tell you privately in connection with what happens sometimes.

The CHAIRMAN. When the Zionist Council presents its budget to you, the item for the support of the American Christian Palestine Committee would be included in that, would it not?

Mr. HAMMER. Yes, sir. We know that there is an activity called the American Christian Palestine Committee.

The CHAIRMAN. Yes.

Mr. HAMMER. I have briefly given you what I know of its origins and the type of work that it did, and in the Agency it is regarded as an activity which is helpful and we would make an allocation to the American Zionist Council in order to enable the Council to support it.

The CHAIRMAN. It would be reasonable to assume, then, that Mrs. Halprin was particularly interested and that is why it was sent to her in your office, is that correct?

Mr. HAMMER. It would be reasonable to assume that particularly since she was also a member of the American Zionist Council on behalf of Hadassah.

The CHAIRMAN. They were, as a matter of fact, given to us as your attorney has testified, from your files.

Mr. BOUKSTEIN. From the files of Mrs. Halprin.

The CHAIRMAN. That is right, in your office.

We did not ask for the files of Mrs. Halprin. We asked for the files of the Agency and they were handed to us in response to that request.

Mr. BOUKSTEIN. It may have been an over generous act on my part, Mr. Chairman.

The CHAIRMAN. Well, I appreciate that. They will go into the record.

FUNDRAISING TRANSACTIONS

With respect to your activities in transmitting the proceeds of fundraising to the Jerusalem Agency prior to 1960, I take it that the actual fundraising was done by the United Jewish Appeal, is that correct?

Mr. HAMMER. That is correct, sir.

The CHAIRMAN. And that corporation transmitted a portion of your proceeds according to your charts to the United Israel Appeal, Inc., is that correct?

Mr. HAMMER. That is correct, sir.

The CHAIRMAN. Approximately what portion of the proceeds went to UIA in, say, 1959?

Mr. HAMMER. The United Jewish Appeal proceeds are distributed in accordance with an agreement between UIA and the Joint Distribution Committee (JDC). The basic agreement calls for that distribution on a ratio of 67 percent to UIA and 33 percent to the JDC. In addition there are at times extraordinary or special campaigns over and above the regular campaigns, in which the UIA share is much larger, and the overall effect of this is to yield around 75 percent of the total funds raised by the United Jewish Appeal to the UIA, with 25 percent going to the JDC.

The CHAIRMAN. The UIA passed on a portion of these funds to your organization, is that correct? The Jewish Agency for Israel, Inc.?

Mr. HAMMER. The UIA passed on all of the funds with the exception of a very, very small administrative budget.

The CHAIRMAN. To you?

Mr. HAMMER. To us, yes, sir.

The CHAIRMAN. Your organization prior to 1960 sent the funds to your principal in Israel where they were used for charitable or other purposes.

Mr. HAMMER. That is correct, Mr. Chairman.

CONTRIBUTIONS TO UJA AND SUBSEQUENT TRANSACTIONS DEDUCTIBLE

The CHAIRMAN. Were the contributions made to the United Jewish Appeal and eventually passed on by you deductible to the donors under the charitable contributions section of the tax code?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. Prior to the time you terminated your registration under the Foreign Agent Registration Act?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. Are they today deductible taking into account your present reorganized status?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. Could you tell us what percentage of the funds that you received from the UIA, the United Israel Appeal, that you passed on to the Jewish Agency in Jerusalem?

Mr. HAMMER. Excuse me, Senator, I am afraid I didn't quite understand that question.

PERCENTAGE OF FUNDS RECEIVED BY UIA TRANSMITTED TO JERUSALEM AGENCY

The CHAIRMAN. What percentage of the funds that you received from the UIA which you just said we passed on except for administrative expenses—what part of the funds that you received did you pass on to the Jewish Agency for Israel in Jerusalem?

Mr. HAMMER. Prior to 1960?

The CHAIRMAN. Yes.

Mr. HAMMER. We would make all the funds we received from the UIA, less our own administrative expenses, available for use in Israel or at their direction.

The CHAIRMAN. How did you regard the funds you paid to the American Zionist Council? They were very substantial.

Mr. HAMMER. Yes, sir.

The CHAIRMAN. Do you call them administrative expenses?

AZO AND SHEKEL FUND

Mr. HAMMER. The funds, I believe, paid over to the American Zionist Council we regarded as coming from non-UJA funds. We call the shekel funds, these were funds which belonged to the Jerusalem Agency per se, and—

The CHAIRMAN. Where did they originate?

Mr. HAMMER. They originated from sources outside the United States, from Canada, from Latin America, and they also originate in the United States from Zionist organizations. The unit of membership or the payment of membership by Zionist organizations to the World Zionist Organization was in those days a shekel, which is an ancient Hebrew coin, and the amount of funds so received as mem-

bership dues, if you will, were referred to as shekel funds. It is out of these funds that payments to the American Zionist Council was made.

The CHAIRMAN. Why did they pay them to you and not directly to the American Zionist Council?

Mr. HAMMER. Because the amount of money collected for shekel funds did not coincide with the amount of money which was paid to the American Zionist Council. The surplus after payment went to the World Zionist Organization in Jerusalem, to the organization department.

The CHAIRMAN. You say the shekel funds were contributed by individuals in this country, some of them were.

Mr. HAMMER. Well, the shekel funds were evidenced by a receipt issued by the individual organizations. They were not paid individually to the Agency. They were paid to their own organizations and their own organizations, the major Zionist organizations or groups, they, in turn, remitted these shekel funds to the Jewish Agency.

The CHAIRMAN. These contributions were tax exempt?

Mr. HAMMER. No, sir.

The CHAIRMAN. To the donor. They didn't take a tax exemption?

Mr. HAMMER. I don't believe so, sir; they were small amounts, 50 cents or a dollar representing an individual membership for 1 year. For example, if an organization had 100 or 150,000 members, it would remit an amount sufficient to cover the membership dues for its members.

TAX EXEMPTIONS FOR ORGANIZATIONS

The CHAIRMAN. Were you prior to 1960 exempt from taxation under the applicable provisions of the tax code?

Mr. HAMMER. The Jewish Agency for Israel, Inc., was tax exempt; yes, sir.

The CHAIRMAN. Was the United Jewish Appeal?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. And the United Israel Appeal?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. And the Palestine Foundation Fund, were they all exempt from taxation?

Mr. HAMMER. They were all exempt from taxation, sir.

The CHAIRMAN. Does that tax-exempt status continue?

Mr. HAMMER. It still continues to this day.

The CHAIRMAN. Is the American Zionist Council exempt from taxation?

Mr. HAMMER. I believe it is so, sir.

The CHAIRMAN. And the Jewish Telegraph Agency?

Mr. HAMMER. I do not know their present status. I do know at one time they did enjoy a tax exemption. That was some years ago. I don't know what their status is today.

ARRANGEMENTS BETWEEN UIA AND THE AGENCY, INC., REGARDING FUND TRANSMITTALS

The CHAIRMAN. What are the arrangements between the UIA, that is, during the period prior to 1960, between the UIA and the Agency,

Inc., which assures that all funds will be passed from the UIA to the Agency, Inc.?

Mr. HAMMER. The general purpose, Mr. Chairman, of the UIA was to act as a fund-raising instrument for work in Israel, and in a letter given some time in 1951 or 1952, indicated that it would turn over this money. I don't recall ever having seen anything. This matter has never come up. It has just been assumed that this is the way it would operate. It was never intended that the United Israel Appeal be an operating agency, and this is the way it has been done.

The CHAIRMAN. Do you have a copy of that letter?

Mr. HAMMER. I will look for it, sir.

The CHAIRMAN. You have seen it; have you seen such a letter?

Mr. HAMMER. In 1951, when the UIA was reorganized, and the Jewish National Fund excluded from the UIA, there was some sort of letter given. I haven't seen it for many years and I don't recall—

The CHAIRMAN. Were you at that time secretary of the Agency?

Mr. HAMMER. No, sir, I don't believe so, sir, secretary of the UIA?

The CHAIRMAN. Well, of any Agency?

Mr. HAMMER. Well—

The CHAIRMAN. Were you connected with either of these organizations?

Mr. HAMMER. Yes; I was connected with the Jewish Agency. That was 1951.

The CHAIRMAN. In what capacity?

Mr. HAMMER. Executive director.

The CHAIRMAN. Well, could you make available to the committee that letter?

Mr. HAMMER. If I can find it, sir; yes, sir.

(See appendix 1, p. 1411, item 14.)

The CHAIRMAN. Well, Mr. Hammer, it is getting late, and we will adjourn this hearing at this time. You will remain under subpoena, and I hope at your earliest convenience you can supply us with the various documents which you have agreed to supply us.

Mr. HAMMER. Mr. Chairman, may I say I will do my best to expedite the information you have requested. I would like to point out that as a public organization we regard it as our responsibility to cooperate as fully as we possible can with this committee and we will be glad to do so. I hold myself ready and am at your disposal whenever you want me.

The CHAIRMAN. Thank you very much.

Mr. HAMMER. Thank you very much.

The CHAIRMAN. The committee is adjourned until 2:30.

(Whereupon, at 1:35 p.m., the committee recessed, to reconvene at 2:30 p.m., the same day.)

AFTERNOON SESSION

The CHAIRMAN. The committee will come to order.

Mr. Hamlin, will you state for the record your name and your home address and business address, please, sir.

Mr. HAMLIN. My name is Isadore Hamlin. My business address is 515 Park Avenue, New York. My home address is 8211 Grenfell Street, Kew Gardens 15, N.Y.

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

Mr. HAMLIN. I have, sir.

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

(The document referred to appears earlier in the text, p. 1212.)

The CHAIRMAN. Mr. Hamlin, it is the practice of this committee to require witnesses testifying as to matters of fact do so upon oath or affirmation.

Will you please rise. Do you solemnly swear to tell the truth, the whole truth, nothing but the truth, so help you God?

Mr. HAMLIN. I so swear.

TESTIMONY OF ISADORE HAMLIN, ACCOMPANIED BY MAURICE M. BOUKSTEIN, ATTORNEY AT LAW

The CHAIRMAN. Are you accompanied by counsel, Mr. Hamlin?

Mr. HAMLIN. I am, sir.

The CHAIRMAN. Will counsel identify himself for the record.

Mr. BOUKSTEIN. My name is Maurice M. Boukstein of the firm of Guzik & Boukstein, 150 Broadway, New York City.

Mr. Chairman, may I at this time state that Mr. Hamlin has some hearing difficulty, and it may, therefore, be necessary for him to repeat the question or have the question repeated to him to make absolutely certain that he replies properly to the questions which you, Mr. Chairman, or any of the members of the committee may put to him.

The CHAIRMAN. Thank you very much. I will try my best to speak up.

Do you have an opening prepared statement you wish to make?

Mr. HAMLIN. No, sir; Mr. Hammer had a prepared statement.

The CHAIRMAN. I understand.

Will you state for the record your position in the Jewish Agency—American Section, Inc., as well as, in brief, the duties which you have in that position.

Mr. HAMLIN. I am, sir, the executive director of the Jewish Agency—American Section, Inc., and I am responsible for the general administration of that organization. I am also secretary of the corporate body.

The CHAIRMAN. Could you give us a very brief outline of your previous experience, positions, when did you become this, and a little before.

Mr. HAMLIN. Yes. Mr. Chairman, I joined the staff of the Jewish Agency for Israel, then known as the Jewish Agency for Palestine, in 1945 right after my Army service, as press officer in the Washington, D.C., office at that time.

I was transferred to the New York office in 1949 with the title of executive assistant. In 1959 I was appointed administrative director, and then with the creation of the American Section, Inc., in April

1960 I continued with that organization, and in early 1961 became the executive director of the Jewish Agency—American Section, Inc.

The CHAIRMAN. Is it your—

Mr. HAMLIN. Pardon me.

The CHAIRMAN. Go ahead.

Mr. HAMLIN. Just one word. Prior to 1945 I was in the U.S. Army, serving in the European theater of operations.

The CHAIRMAN. If I understand it correctly, you have the position now in the Jewish Agency—American Section, which corresponds with the position Mr. Hammer had in its predecessor, the Jewish Agency?

Mr. HAMLIN. That is correct, sir.

The CHAIRMAN. Which we call INC.; is that correct?

Mr. HAMLIN. That is correct.

JEWISH AGENCY—AMERICAN SECTION, INC., AND JEWISH AGENCY
EXECUTIVE

The CHAIRMAN. The Jewish Agency—American Section, Inc., is, I understand, a New York membership corporation organized in 1960?

Mr. HAMLIN. It is, sir.

The CHAIRMAN. And since 1960 it has been registered under the Foreign Agents Registration Act of 1938, as amended, as an agent of the Executive of the Jewish Agency for Israel in Jerusalem?

Mr. HAMLIN. Mr. Chairman, would you just repeat the date when that filing took place?

The CHAIRMAN. 1960.

Mr. HAMLIN. 1960; that is correct.

The CHAIRMAN. The relationship between the Executive and the American Section, is this contractual or not?

Mr. HAMLIN. The American Section is a part of the worldwide body called the Jewish Agency Executive. The Jewish Agency Executive is composed of 22 individuals, of which 6 reside in the United States, and so the American Section is part of the worldwide organization.

Mr. BOUKSTEIN. May I be of some assistance, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. BOUKSTEIN. The Executive, as was stated this morning, the Executive of the Jewish Agency is in Jerusalem; the American Section is exactly what it connotes. It is the American Section of the Executive which reside in the United States and functions for and on behalf of the Executive in Jerusalem.

The CHAIRMAN. I was trying to clarify for the record precisely what the word "Executive" means here. Does it mean the Executive committee of the Jewish Agency?

Mr. BOUKSTEIN. It is—do you want me to answer or the witness?

The CHAIRMAN. The witness should answer this.

Mr. BOUKSTEIN. The witness can answer.

Mr. HAMLIN. It is in essence the Executive committee.

The CHAIRMAN. Of the Jewish Agency?

Mr. HAMLIN. Of the Jewish Agency; that is right.

MEMBERS OF THE EXECUTIVE OF THE JEWISH AGENCY

The CHAIRMAN. And it is composed of 22 people?

Mr. HAMLIN. Pardon me?

The CHAIRMAN. Of 22 people?

Mr. HAMLIN. Of 22 individuals; yes, sir.

The CHAIRMAN. And six of those live in the United States?

Mr. HAMLIN. Correct, sir.

The CHAIRMAN. So that leaves 16 of them who live in Israel?

Mr. HAMLIN. That is right, sir.

The CHAIRMAN. Now are there any other members? Is this the whole body? Is there a board of directors other than the Executive?

Mr. HAMLIN. No, sir. That is the governing body of the Jewish Agency, the total body.

The CHAIRMAN. It is a corporation?

Mr. HAMLIN. Yes.

The CHAIRMAN. Does it have any stockholders?

Mr. HAMLIN. No; not to my knowledge.

The CHAIRMAN. It is incorporated by a special act of the Government of Israel, is that correct?

Mr. HAMLIN. The Jewish Agency, yes; was recognized by special act of the Israeli Parliament.

The CHAIRMAN. Are any members of the Executive living in Israel members of the Government?

Mr. HAMLIN. Members of our Executive are members of the Government of Israel? Yes, sir.

The CHAIRMAN. Who are they?

Mr. HAMLIN. One member of our Executive, Mr. Eshkol, is a member of the Israeli Government.

The CHAIRMAN. What is his position in the Israeli Government?

Mr. HAMLIN. He is the Minister of Finance. But, if I may add, in the Executive he has competence in one area of work, and that is the area of colonization.

Mr. BOUKSTEIN. If I may add, a member of the Executive, Mr. Shazar, was the day before yesterday elected the President of Israel, as you probably noticed in the newspapers.

The CHAIRMAN. Does this disqualify him to be a member of the Executive?

Mr. HAMLIN. Yes; it would disqualify him.

RELATIONSHIP BETWEEN EXECUTIVE AND AMERICAN SECTION

The CHAIRMAN. Could you describe how the Executive—the relationship between the Executive and the American Section, how does the Executive, in other words, exercise control, if it does, over the American Section?

Mr. HAMLIN. The American Section is the representative in the United States of the Jerusalem Agency—did you say exercise control, sir?

The CHAIRMAN. If it does; yes. Does it exercise control?

Mr. HAMLIN. I would say that in the final analysis there would be a vote of all the 22 members.

The CHAIRMAN. Yes.

Mr. HAMLIN. On an issue which might bind them.

The CHAIRMAN. Yes.

Mr. HAMLIN. But if my experience would indicate anything, I would say that in matters that deal with American affairs, such as we have, the Jerusalem Executive more or less depends on the opinions of their members residing in the United States.

The CHAIRMAN. Does this organization have a set of bylaws?

Mr. HAMLIN. Yes.

The CHAIRMAN. Do we have a copy?

Mr. SIFTON. We have, again, an uncertified copy and, perhaps, formally, we should have a certified copy.

Mr. BOUKSTEIN. Mr. Chairman, we will be glad to furnish it.

The CHAIRMAN. He says you will furnish a certified copy of the bylaws of the Executive.

Mr. HAMLIN. Yes; we would be glad to, sir.

Mr. BOUKSTEIN. He will have to certify it as the secretary.

The CHAIRMAN. Yes; that is correct. That is of the Executive.

Now, you also have a corporation of the American Section. It is incorporated in this country?

Mr. HAMLIN. Yes, sir; New York State.

The CHAIRMAN. And you could supply that?

Mr. BOUKSTEIN. I think there is a misunderstanding, Mr. Chairman. The Executive of Jerusalem has no bylaws.

The CHAIRMAN. Not in Jerusalem?

Mr. HAMLIN. I misunderstood you.

Mr. BOUKSTEIN. I thought you were referring to the bylaws of the American Section and those, of course, we will supply you.

(See appendix, p. 1412, item 1.)

The CHAIRMAN. What are the basic guidelines for the Executive in Jerusalem? Under what authority does it operate?

Mr. HAMLIN. It is the constitution of the organization.

The CHAIRMAN. Does that constitution set out how it should operate?

Mr. HAMLIN. Yes. There is a constitution and there are standing rules of the organization.

The CHAIRMAN. Could we have those then? Those are the equivalent of the bylaws; that is what I did not know exactly the terminology you used. But you could make that available?

Mr. HAMLIN. Yes, sir; I would be glad to.

(See appendix, p. 1412, item 2.)

ADMINISTRATIVE PROCEDURES OF EXECUTIVE OF JERUSALEM AGENCY

The CHAIRMAN. Do you execute and prepare the registration?

Mr. BOUKSTEIN. Mr. Chairman, as I am the expert on the subject, having acted for the Agency as counsel. The constitution defines the function of the Executive. There is no document that I am aware of that lays down the working rules, such as we would in this country refer to as bylaws of the Executive. They act by resolution.

The CHAIRMAN. Well, do they act under majority rule?

Mr. BOUKSTEIN. They act under majority rule by resolution.

The CHAIRMAN. Do they have subcommittees?

Mr. BOUKSTEIN. They have subcommittees which they appoint ad hoc or sometimes continuing subcommittees, Mr. Chairman. But we shall search—but I am aware of the existence of no document which would be the equivalent of rules or bylaws.

The CHAIRMAN. Do they have minutes of meetings?

Mr. BOUKSTEIN. Yes; they do.

The CHAIRMAN. Could you supply us with copies of the minutes of their meetings since 1960?

(See appendix 2, p. 1414, item 4.)

Mr. BOUKSTEIN. Mr. Chairman, I am not so sure that would be a pertinent document. The minutes are in Jerusalem. They relate to all kinds of matters. If you mean excerpts of minutes relating to activities in the United States, we will be glad to furnish them. But I don't think that you have any interest in minutes relating to matters of completely ungermane subjects.

The CHAIRMAN. No; we wouldn't request anything ungermane. It was my understanding from the testimony this morning that a very large percentage of the funds of the Executive derive from this country, is that correct?

Mr. BOUKSTEIN. That is correct.

The CHAIRMAN. I will agree that not all of it would be. I was interested in how this Agency operates. I don't know of any precedent of anything like it in any other instance, and I thought it would be interesting to the committee to understand how foreign agents in this particular field operate and what kind of principals they represent.

Mr. HAMLIN. Would you like for us to give you a description of the departments and operations in Israel, sir?

The CHAIRMAN. Well, if you would care to very briefly.

Mr. HAMLIN. All right. Do you want it now?

The CHAIRMAN. You can do it in writing.

Mr. HAMLIN. Yes, sir, we can do it in writing, as you wish.

(See appendix 2, p. 1414, item 5.)

PAYMENTS TO AZC BY AMERICAN SECTION SINCE 1960

The CHAIRMAN. Mr. Hamlin, are you acquainted with an organization known as the American Zionist Council?

Mr. HAMLIN. Yes, sir; I am.

The CHAIRMAN. Subsequent to April 1, 1960, did the Jewish Agency-American Section make payments to the American Zionist Council?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. To the best of your knowledge, when did these payments begin?

Mr. HAMLIN. If my memory serves me, I believe in 1961 for the budget of the Council.

The CHAIRMAN. The first of the year, about?

Mr. HAMLIN. I would have to look it up.

The CHAIRMAN. Would you provide the committee with a record of such payments as you have made to the American Zionist Council?

Mr. HAMLIN. Yes, sir; we would.

The CHAIRMAN. The American Zionist Council.

Mr. HAMLIN. Yes, sir.

(See appendix 2, p. 1416, item 6.)

PURPOSES OF PAYMENTS

The CHAIRMAN. In general, what were the purposes of these payments?

Mr. HAMLIN. The purposes of these payments were to assist the American Zionist Council to carry out its Zionist educational and youth work, and its public informational activities.

The CHAIRMAN. I show you a memorandum dated May 20, 1960, to Miss Fanny Speiser from Isadore Hamlin, and ask you if you wrote and sent this memorandum?

Mr. HAMLIN. Yes, sir; I did.

(A copy of the letter is as follows:)

7810' 1787 571118' 1132100
THE JEWISH AGENCY FOR ISRAEL

MEMORANDUM May 20, 1960

TO: Miss Fanny Speiser - Bookkeeping Department

FROM: Isadore Hamlin

SUBJECT:

I have a check for \$4000.00 which is payable to Miss Fanny Speiser, to be paid to her through the American Zionist Council.

This is part of the regular payments due to Schwadron, on which I have Mr. Hamlin's account. This and instructed me to ask you to have this money sent as quickly as possible.

Isadore Hamlin
Charge PR budget of J. A. - Am. Zion. C.

12479

The CHAIRMAN. The memo reads as follows and I quote:

You must have a check for \$4,000 as quickly for Schwadron, to be paid to him through the American Zionist Council.

This is part of the regular payments due to Schwadron, on which he lives. Mr. Hammer knows about this and instructed me to ask you to have this money ready as quickly as possible.

It is signed "Isadore Hamlin."

Then there is handwritten "Charge PR budget of J.A.-Amer. Sec. Inc."

IDENTIFICATION OF DR. BENJAWIN SCHWADRON

Who is Mr. Schwadron?

Mr. HAMLIN. Dr. Benjamin Schwadran is the, I believe, secretary of the Council for Middle East Affairs and the editor of a publication known as the Middle East Affairs.

The CHAIRMAN. What is that? Middle Eastern Affairs?

Mr. HAMLIN. Middle Eastern Affairs, yes.

The CHAIRMAN. What activities does he perform for which this was payment?

Mr. HAMLIN. He is the editor of this magazine and responsible for its publication.

The CHAIRMAN. Is this his salary as editor?

Mr. HAMLIN. Sir, the truth is about this request for payment that it was made through the American Zionist Council. The American Zionist Council, in turn, contributed to the Louis Rabinowitz Foundation which had the basic relationship with Dr. Shwadran, with Middle Eastern Affairs.

I have never seen a budget of the operations of the Council for Middle Eastern Affairs. I don't recollect whether I have seen an exact budget, so I can't say, give you the details on that. But Dr. Shwadran was, of course, receiving a salary, and has an office to carry on the, to publish this, magazine.

Mr. BOKSTEIN. Mr. Chairman, I would take a very good guess that the salary of Dr. Shwadran is not \$4,000 a month. That probably covers the cost of the publication of the magazine as well.

Mr. HAMLIN. That is correct.

SUBVENTION OF FUNDS TO AZC FOR RABINOWITZ FOUNDATION AND COUNCIL ON MIDDLE EASTERN AFFAIRS

The CHAIRMAN. I want to know what it is. It says "Charge PR budget" of the Jewish Agency.

Mr. HAMLIN. Yes, sir; I think I can explain it.

In our budget called public relations and special projects, this is one of the special projects that we sponsored—that we supported, rather.

The CHAIRMAN. What is one of them? I don't follow that. What is one of them?

Mr. HAMLIN. The subvention of funds, the granting of funds, to the American Zionist Council for the purpose of turning it over to the Louis Rabinowitz Foundation.

The CHAIRMAN. I do not get the point of the Louis Rabinowitz Foundation and Shwadran. I thought he was with the Council on Middle Eastern Affairs. What is the Louis Rabinowitz Foundation?

Mr. HAMLIN. The Louis Rabinowitz Foundation has made grants to the Council for Middle Eastern Affairs.

The CHAIRMAN. Which is Dr. Shwadran?

Mr. HAMLIN. That is right. I recognize that this memorandum is, perhaps, worded not quite as it should be.

The CHAIRMAN. Well, the memorandum seems to be clear until you brought in the Rabinowitz Foundation, something else. It says that this is part of the regular payments due to Shwadran on which he lives.

Mr. HAMLIN. But I was describing to you the channels through which these funds went.

CONDUITS OF FUNDS

The CHAIRMAN. Well then, is the American Zionist Council merely acting as a conduit for this money?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. Is that right?

And is the Rabinowitz Foundation acting as a conduit?

Mr. HAMLIN. It is funds which were turned over to the Council for Middle East Affairs, yes.

The CHAIRMAN. It was also a conduit?

Mr. HAMLIN. I believe so; yes, sir.

The CHAIRMAN. Was this payment made that is referred to in this memorandum?

Mr. HAMLIN. I believe this was honored; yes.

The CHAIRMAN. And these payments were made to the Zionist Council, the American Zionist Council?

Mr. HAMLIN. Yes. These funds were turned over to the American Zionist Council.

The CHAIRMAN. Do you know whether this payment was reported on your registration statement to the Department of Justice?

Mr. HAMLIN. It was, sir.

The CHAIRMAN. Was it identified as payment to Dr. Shwadran?

Mr. HAMLIN. I have to—I will have to take a look at this, the date of this, once more.

The CHAIRMAN. This is dated May 20, 1960. It would appear filed in the statement following that date.

Mr. HAMLIN. At that time we had not reported to the Department of Justice in great detail. We had given the Department of Justice a summary statement, and this payment was included in an item, I believe, called allocations or grants to affiliated organizations, if my memory serves me.

The CHAIRMAN. Do you know whether Dr. Shwadran ever filed, registered as a foreign agent?

Mr. HAMLIN. I do not know.

The CHAIRMAN. What position at this time did Mr. Hammer occupy which necessitated your informing him of this payment and which enabled him to give you instructions on this matter?

Mr. HAMLIN. Sir, in the American Section, Mr. Hammer occupied no position at this time.

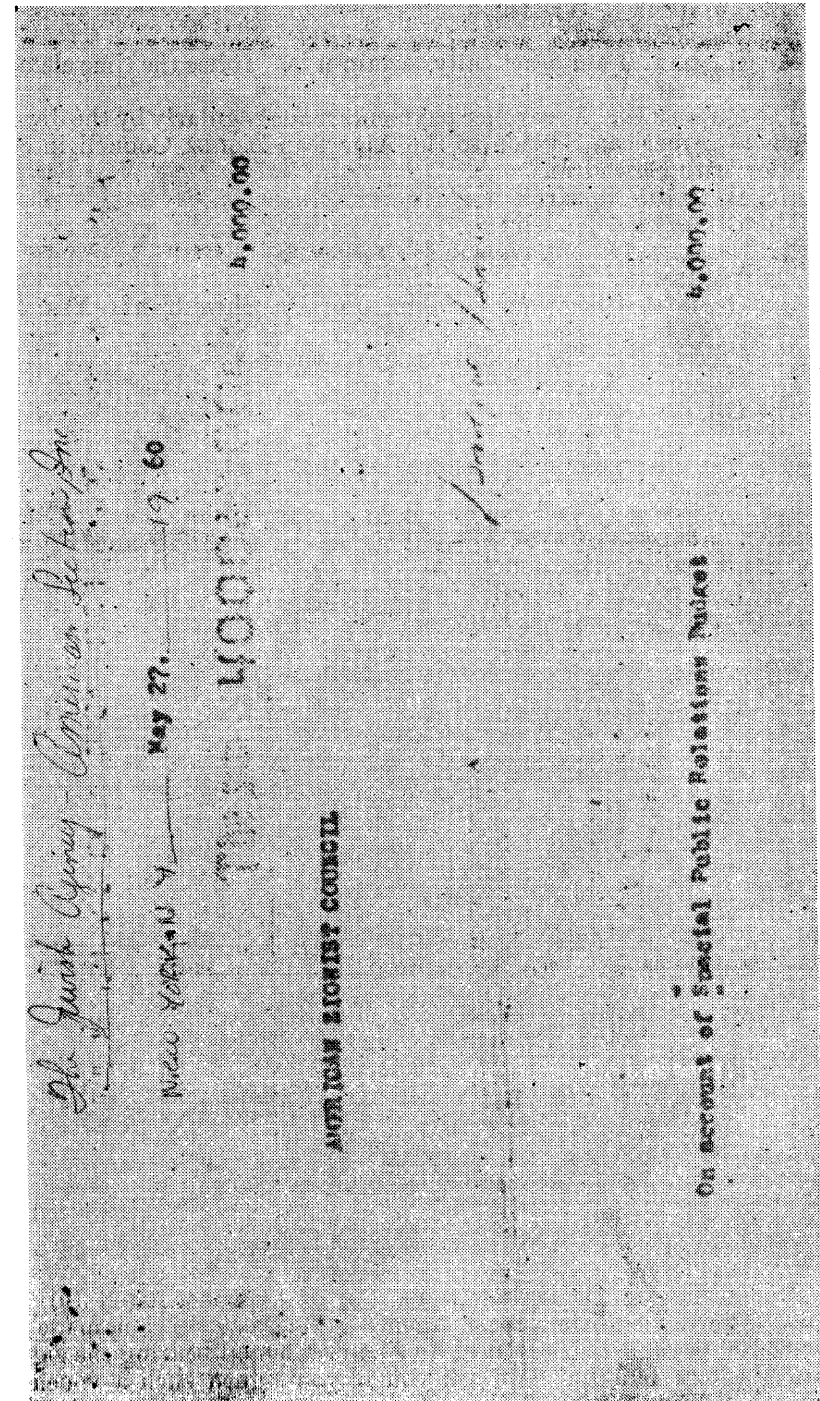
However, you will recall I stated I was the administrative director at that time, and undoubtedly this means that Dr. Shwadran had

contacted Mr. Hammer, and so I had tried to cooperate by carrying it out. It was a transitional period at this time.

REGULARITY OF PAYMENTS BY AMERICAN SECTION THROUGH AZC FOR DR. SHWADRAN

The CHAIRMAN. I show you a copy of a voucher dated May 27, 1960, in the name of the Jewish Agency—American Section, Inc., made out for \$4,000, payable to the American Zionist Council bearing the description "On account of special public relations budget," and bearing the signature "Isadore Hamlin," and I ask you if you signed such a voucher?

Mr. HAMLIN. Yes, sir; I have.
(Copy of the voucher follows:)



The CHAIRMAN. Was this the payment of \$4,000 referred to in the earlier memorandum?

Mr. HAMLIN. I am practically certain it is. It has the time element needed.

The CHAIRMAN. Were other payments made regularly by the Jewish Agency—American Section to the American Zionist Council in connection with Shwadran?

Mr. HAMLIN. No, sir.

The CHAIRMAN. No, sir?

Mr. HAMLIN. Other payments?

The CHAIRMAN. Yes.

Mr. HAMLIN. I beg your pardon. For Dr. Shwadran? Yes; this was part of a larger grant for this project.

The CHAIRMAN. There were regular payments?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. That is what I mean. I insert that in the record.

ADDITIONAL PAYMENTS BY AMERICAN SECTION, INC., FOR DR. SCHWADRON

For the record I show you a copy of a handwritten note dated July 20, 1960, addressed to "F. S." and signed "I. Hamlin," and I ask if you wrote and sent this note?

Mr. HAMLIN. Yes, sir; I did.

(A copy of the note is as follows:)

July 20 1960
 F.S.
 Pay Dr. Schwadran thru
 the AZC \$3500 representing
 1/4 of our commitment for 1960.
 I. Hamlin

The CHAIRMAN. I also show you a copy of a voucher dated July 21, 1960, in the name of the Jewish Agency—American Section, made out for \$3,500 payable to the American Zionist Council bearing the signature "Isadore Hamlin" and ask you if you signed such a voucher?

Mr. HAMLIN. Yes, sir; I did.

(A copy of the voucher is as follows:)

JULY 21 1960
 AMERICAN ZIONIST COUNCIL
 Additional on Special Public Relations Budget
 3,500.00
 Isadore Hamlin

The CHAIRMAN. Both of these documents refer to a payment to Mr. Shwadran "representing one-fourth of our commitment for 1960" as appears on the voucher.

Mr. HAMLIN. I don't have that voucher before me, sir.

Senator SYMINGTON. Who is Mr. Shwadran, again?

Mr. HAMLIN. Dr. Benjamin Shwadran is the director of the Council for Middle Eastern Affairs and the editor of a publication called Middle Eastern Affairs.

Senator SYMINGTON. Why were you giving him this money?

Mr. HAMLIN. Why we were giving him this money?

Senator SYMINGTON. Yes.

Mr. HAMLIN. The Jewish Agency felt that this was a very worthwhile project. It is a scholarly journal on a rather high caliber.

Senator SYMINGTON. What kind of a commitment did you have with him?

Mr. HAMLIN. The commitment was in the neighborhood of \$20,000 a year.

Senator SYMINGTON. And these payments apply against that \$20,000?

Mr. HAMLIN. Yes, sir.

Senator SYMINGTON. What were the services rendered in return?

Mr. HAMLIN. Services rendered to us—none. We made possible the publication of this journal.

Senator SYMINGTON. In other words, the journal itself you felt was favorable to what your Agency stood for?

Mr. HAMLIN. Yes.

Senator SYMINGTON. Your institution stood for?

Mr. HAMLIN. Yes, a very worthwhile publication.

Senator SYMINGTON. You do not know how much of this was for Mr. Shwadran personally?

Mr. HAMLIN. No, sir; I don't know his salary range or anything like that.

Senator SYMINGTON. Thank you, Mr. Chairman.

The CHAIRMAN. Did Mr. Shwadran know that this money came from the Jewish Agency—American Section?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. Can you explain why you didn't pay him directly rather than through the American Zionist Council?

Mr. HAMLIN. Sir, the American Zionist Council was an instrument that dealt with many such relationships for us. It was a matter of convenience for us, and we felt that it, perhaps, would add some function to the American Zionist Council. Perhaps we felt that someday the American Zionist Council would be able to take over this obligation if they succeeded in raising the funds on their own.

(See appendix 2, p. 1424, item 19.)

SOURCE OF AMERICAN SECTION'S FUNDS

The CHAIRMAN. Your funds came from the United Jewish Appeal; is that correct?

Mr. HAMLIN. No, sir.

The CHAIRMAN. Where did it come from?

Mr. HAMLIN. The American Section's funds came solely from Jerusalem.

The CHAIRMAN. You received no funds from the UJA directly?

Mr. HAMLIN. No, sir; nor indirectly, for that matter.

The CHAIRMAN. How do you know that?

Mr. HAMLIN. Sir, all our funds came from Jerusalem or from Geneva since the establishment of the American Section.

The CHAIRMAN. Where did UJA funds go?

Mr. HAMLIN. Pardon me?

The CHAIRMAN. Where did UJA funds go?

Mr. HAMLIN. UJA funds go to various parts of the world. The part for Israel goes via the Jewish Agency for Israel, Inc., directly to Israel.

The CHAIRMAN. To Jerusalem?

Mr. HAMLIN. To Jerusalem.

The CHAIRMAN. How can you say that none of your funds then come from the UJA?

Mr. HAMLIN. Well, we received our funds from Jerusalem and Geneva. The income of the Jewish Agency, Jerusalem, of course, is much larger than the amount of money it received from the United States.

The CHAIRMAN. I understand.

Mr. HAMLIN. A great deal of money.

The CHAIRMAN. I understand.

Mr. HAMLIN. We received small sums of money from Latin America, yes, also for the accounts of Jerusalem.

The CHAIRMAN. I now wish to remind counsel that I am supposed to ask the questions and the witness is to answer. It is quite all right for you—

Mr. BOUKSTEIN. My apologies, sir.

The CHAIRMAN. I just thought that would make it a little more orderly.

Senator SYMINGTON. This is the second time the chairman has mentioned it. It seems to me you could write something out on a card for the witness.

The CHAIRMAN. It is generally the practice that only on legal matters and to protect the witness can counsel intervene, not on the substantive questions. That is why we have Mr. Hamlin here.

Senator SYMINGTON. The Chairman has been very lenient in that regard.

UJA PARTIAL CONTRIBUTION TO JEWISH AGENCY—JERUSALEM

The CHAIRMAN. I do not quite still understand, Mr. Hamlin, how you can so categorically say that none of your funds come from the UJA when, at the same time, you state that a large amount of the funds granted, not all of them, from the UJA, go to the Jewish Agency in Jerusalem.

It seems to me quite logical that at least part of those funds necessarily come from UJA only by way of Jerusalem. Is that not a logical conclusion?

Mr. HAMLIN. It perhaps may be a logical conclusion.

The CHAIRMAN. Well, do you have anything to prove it is not so?

Mr. HAMLIN. It is also logical to say, I believe, that the Jewish Agency, Jerusalem, receives a much larger sum than it receives from the United States, from other countries.

The CHAIRMAN. I see; a much larger sum?

Mr. HAMLIN. Yes.

The CHAIRMAN. We had testimony this morning that in the last 25 years a billion and a half dollars have been contributed by this country. Have you had much more than that from any other country?

Mr. HAMLIN. I cannot comment on that, but I can say that of our present income in Jerusalem per year, perhaps 35 to 40 percent comes from the United States. The balance comes from other countries.

PAYMENTS TO ISRAEL FROM OTHER COUNTRIES

The CHAIRMAN. What other countries?

Mr. HAMLIN. Other sources of income.

The CHAIRMAN. What other countries contribute as much as 35 or 40 percent?

Mr. HAMLIN. No other country contributes as much as 35 percent, of course.

The CHAIRMAN. How much is contributed to the Jewish Agency in Jerusalem by the Government of Israel?

Mr. HAMLIN. I don't have the figure offhand, but it is several tens of millions of pounds for colonization.

The CHAIRMAN. And how much—we will leave that for later.

Mr. HAMLIN. But we have income from many other countries, from England and from South Africa, from Latin American countries, from France.

The CHAIRMAN. By far the largest single contribution is from the United States?

Mr. HAMLIN. No doubt.

The CHAIRMAN. What is the next largest in percentage?

Mr. HAMLIN. I believe England.

The CHAIRMAN. What percentage would that be, 10 percent, roughly?

Mr. HAMLIN. 400,000 pounds sterling, not as much as 10 percent.

The CHAIRMAN. Not 10 percent?

Mr. HAMLIN. Not that much.

The CHAIRMAN. Not 10 percent?

Mr. HAMLIN. Not that much.

The CHAIRMAN. Five percent?

Mr. HAMLIN. Five or seven percent.

Mr. BOUKSTEIN. May I say something?

The CHAIRMAN. Do you have any information on this?

Mr. BOUKSTEIN. If I erred, Mr. Chairman, before it was solely out of a desire to be helpful and to give supplemental information which I happen to have by reason of the very extensive experience I have had in this field.

For instance, I was involved in the negotiations with the representatives of the Western Republic of Germany in connection with the reparations which led to the payment of something like \$815 million.

The Jewish Agency, by agreement, is the recipient of about 18 percent of these funds for its work in Israel. So from that source alone last year it had something like \$10 to \$12 million.

Now, when Mr. Hamlin said that they received large sums from other countries, he didn't mean they received charitable contributions from any other country nearly in the size or the proportion they received from charitable contributions from the United States. But if you will permit me to say what I think he meant was from other sources rather than the United States. As is indicated in the chart, which was submitted to you, together with Mr. Hammer's statement this morning, this is indicated.

The CHAIRMAN. Wouldn't you say—you received one-third, did you say, of the German reparations?

Mr. BOUKSTEIN. One-third of the amount received by the Government of Israel was allocated, roughly 18 percent—

The CHAIRMAN. Yes.

Mr. BOUKSTEIN (continuing). to the work of the Jewish Agency.

The CHAIRMAN. It would be one-third of \$815 million?

Mr. BOUKSTEIN. Over a period of some years.

The CHAIRMAN. Over a period. But that is different and in addition to the direct contribution of the Israeli Government to it?

Mr. BOUKSTEIN. That is correct.

The CHAIRMAN. From its own funds?

Mr. BOUKSTEIN. That is correct, sir.

The CHAIRMAN. I see.

JEWISH RESTITUTION SUCCESSOR ORGANIZATION

Mr. BOUKSTEIN. If I may, sir, so that you will really get a full picture, and I am as eager to be as helpful as you can possibly imagine, you will see if you look at the chart another item of heirless assets.

The CHAIRMAN. What does that mean?

Mr. BOUKSTEIN. These are the proceeds from the liquidation of heirless property which was recovered in Germany by an organization named and known here as the Jewish Restitution Successor Organization, which was promulgated, as a matter of fact, which was organized as the result of the promulgation of Military Government Promulgation No. 59 in the American zone when General Clay was the chief of the American military government in the American zone. It is known as German restitution law which actually the American Government imposed.

The CHAIRMAN. Yes.

Mr. BOUKSTEIN. Over a period of years there were, as you can imagine, tens of thousands of claims which were liquidated in lump-sum payments over a period of years by the various Laender in the Western Republic of Germany, and by the city of Berlin; and these, the proceeds of these assets were distributed. The larger share went to the Jewish Agency for Israel, and the smaller share went to the Joint Distribution Committee, and 10 percent was for non-Jewish victims of Nazi persecution in other parts of the world.

The CHAIRMAN. How much did it amount to, roughly?

Mr. BOUKSTEIN. It roughly, over the years, I would say, was somewhere between \$20 and \$25 million, and it has not yet completely been liquidated.

For your information, Mr. Chairman, I happen to be president of the Jewish Restitution Successor Organization at this time.

The CHAIRMAN. How long have you been working in this field?

Mr. BOUKSTEIN. I have been counsel to the Jewish Agency since the middle forties.

The CHAIRMAN. That is the Jewish Agency in Jerusalem?

Mr. BOUKSTEIN. I have served as counsel in the United States for the Jewish Agency in Jerusalem, for the American Section, and for the INC.

The CHAIRMAN. I see.

Mr. BOUKSTEIN. And I am registered, Senator, as an attorney for the Jewish Agency, and—

The CHAIRMAN. You are now registered?

Mr. BOUKSTEIN. I am now registered; yes, sir.

Senator SYMINGTON. Outside of all this, do you shoot a little pool? [Laughter.]

Mr. BOUKSTEIN. Outside of all this I make contributions to the United Jewish Appeal.

The CHAIRMAN. Are you primarily the architect of these various organizations?

Mr. BOUKSTEIN. I wouldn't claim to be the architect, but I—

The CHAIRMAN. Legal architect.

Mr. BOUKSTEIN. I incorporated all of them to the extent that they were incorporated in the United States, and I take very great pride in the fact that I had a hand in negotiating with Prime Minister Ben Gurion some years back the contractual arrangements between the Jewish Agency, which is a nongovernmental body, and the Government of Israel in which arrangements were provided for the orderly administration of the enormous physical task of taking people in, going through their medical examinations, settling them on the land or in industry, and so forth.

Senator SYMINGTON. Would you supply for the record the number of additional refugees per year that you have taken into Israel, in the last 10 years?

Mr. BOUKSTEIN. I would be very glad to.

Senator SYMINGTON. Thank you.

(See appendix 2, p. 1418, item 7.)

ALC CONDUIT FOR PAYMENTS TO MIDDLE EASTERN AFFAIRS COUNCIL

The CHAIRMAN. Mr. Hamlin, I show you a copy of a memorandum dated November 3, 1960, addressed to Miss Fannie Speiser from Isadore Hamlin on the subject of Dr. Shwadran, and ask you if you wrote and sent this memo?

Mr. HAMLIN. Yes, sir.

(A copy of the memo is as follows:)

THE JEWISH AGENCY—AMERICAN SECTION, INC.,
November 3, 1960.

MEMORANDUM

To: Miss Fannie Speiser—Bookkeeping Department.

From: Isadore Hamlin.

Subject: Dr. Schwadron. (sic)

Dr. Schwadron (sic) has advised me that he is faced with an accumulated bill of \$1,000.00 for withholding taxes and an equal amount for a printer's bill.

I, therefore, agreed to remit to him in the next three months, at least, \$2,500.00 per month instead of two thousand dollars per month. This is well within the assigned budget.

Please make sure to issue the first check for \$2,500.00 for November as soon as possible through the normal payment channels.

ISADORE HAMLIN.

The CHAIRMAN. I will read:

Dr. Schwadron has advised me that he is faced with an accumulated bill of \$1,000 for withholding taxes and an equal amount for a printer's bill.

I, therefore, agreed to remit to him in the next 3 months at least \$2,500 per month instead of the \$2,000 per month. This is well within the assigned budget.

Please make sure to issue the first check for \$2,500 for November as soon as possible through the normal payment channels.

I take it that the agreement referred to was with Mr. Shwadran?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. And you made payments in accordance with this agreement, did you not?

Mr. HAMLIN. That is right. We made payments to the American Zionist Council in accordance with this agreement.

The CHAIRMAN. The phrase, "normal payment channels," I take it means through the American Zionist Council, is that correct?

That is the normal payment channel we have referred to?

Mr. HAMLIN. Yes.

The CHAIRMAN. Again—this is merely cumulative—that the Zionist Council is acting as an agent for payment?

Mr. HAMLIN. The Zionist Council was taking the money and transferring it to the Louis Rabinowitz Foundation, sir.

The CHAIRMAN. Well, you had an agreement with the American Zionist Council that they would do that, did you not?

Mr. HAMLIN. We had an understanding with them, certainly.

The CHAIRMAN. Yes.

Are you acquainted—

Mr. HAMLIN. As a matter of fact, sir, if I may, perhaps—no, forgive me. I interrupted for nothing. I was trying to refresh my memory of a period that is not quite fresh in my mind, and where I was not the executive director; in other words, the origins of this agreement, this was the thing I was trying to think through.

JEWISH AGENCY ALLOCATION OF FUNDS TO AZC TO PURCHASE SUBSCRIPTIONS OF NEAR EAST REPORT

The CHAIRMAN. Are you acquainted with an individual named I. L. Kenen?

Mr. HAMLIN. I know Mr. Kenen certainly.

The CHAIRMAN. Did the Jewish Agency-American Section make any payments to Mr. I. L. Kenen through the American Zionist Council during the period April 1, 1960, to date?

Mr. HAMLIN. Sir, the Jewish Agency didn't make any payment to Mr. I. L. Kenen but did make an allocation of funds to the American Zionist Council to purchase subscriptions of the Near East Report, of which Mr. Kenen is editor, for distribution to a mailing list of the American Zionist Council. There was not a direct payment to Mr. I. L. Kenen of any kind.

The CHAIRMAN. Well, was the agreement here similar to the one with regard to Mr. Shwadran? They weren't direct, but the Amer-

ican Zionist Council understood that these payments were to be made to Mr. Kenen?

Mr. HAMLIN. In this case I would say, I happen to know that the American Zionist Council turned itself to the Jewish Agency and asked for an appropriation to buy, to purchase, these subscriptions of the Near East Report.

HANDWRITTEN NOTE

The CHAIRMAN. Well, I show you an undated handwritten note and signed "OK, I. Hamlin," and ask you if you signed and approved the payment set forth in this note?

Mr. HAMLIN. Yes, sir. This is my signature.
(A copy of the note is as follows:)

OK OKL 11/21/43
 → K.H. subscriptions March-May - 1943
 One month \$200000 10/25/43
 One month \$200000 10/25/43
 One month \$200000 10/25/43
 One month \$200000 10/25/43
 Total \$800000
 Jewish Agency
 Near East Report
 I. Hamlin

The CHAIRMAN. The main part of the note deals with "KH Subventions," but I call your attention to the line reading "Kenen (paid 2/24 5,000)" which has a line drawn through it and the initials "OK" next to it, and ask you if this refers to I. L. Kenen?

Mr. HAMLIN. Sir, I will have to look, try to find out what happened in this case. But it is possible that when we made the payments to the Council for Kenen we may have, that is, for the purpose of these subscriptions of the Near East Report, which was done by the American Zionist Council, for the sake of bookkeeping, for the sake of our internal records, it may have been designated as "Kenen," just as in the case of these memorandums I designated "Shwadran" just to save time.

The CHAIRMAN. I am just trying to clarify the record on this.

Could you file for the record the payments that you made through the American Zionist Council to Mr. Kenen?

Mr. HAMLIN. In this period, there is no date on this. Would you let me look this up in my office?

The CHAIRMAN. Yes. That is what I am asking you to do; yes, sir.

(See appendix 2, p. 1418, Item 8.)

MEANING OF "KH SUBVENTIONS"

The CHAIRMAN. As I understood you to say, the copies of his Near East Report you sent to your mailing list?

Mr. HAMLIN. No. This was the mailing list of the American Zionist Council.

The CHAIRMAN. They sent it?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. What is the meaning and what does "KH" stand for?

Mr. HAMLIN. "KH" stands for Keren Hayesod. If you will look at this chart, Keren Hayesod, which means literally foundation fund, and the "P" means Palestine Foundation Fund, which is the oldest fundraising instrument in this country for the then Palestine, but the first of any fundraising instruments in this country.

The CHAIRMAN. What does "KH Subventions"—what are they, what do they mean?

Mr. HAMLIN. "KH Subventions" refers to payments made by the KH many, many years ago to the American Zionist groups as a partial reimbursement to them of expenses they had in connection with fundraising.

If I may add, Mr. Chairman, in the earlier days, it was the Zionist groups in this country that were the backbone of the fundraising for Jewish colonization in Palestine at that time, and the KH at that time gave small sums of money to the various Zionist groups to reimburse them for assisting the campaign in many ways. This relationship continues to this day.

Different organizations had paid these moneys to the various Zionist groups, and today the Jewish Agency—American Section pays such so-called KH subventions to the Zionist groups to reimburse them primarily for the assistance they give to the UJA campaign through

their publications, through their various house organs, and publications.

The CHAIRMAN. Well, why are the payments made to the American Zionist Council rather than directly from the Jewish Agency—American Section?

Mr. HAMLIN. Well, in this case, as well, sir, the American Zionist Council, of course, is composed of these American Zionist groups and has more organic and direct relationship with the Zionist groups; and as I said before, it was our hope and feeling that the American Zionist Council would take over and be the normal channel for all the usual relationships with the American Zionist organizations.

The CHAIRMAN. In this case was the American Zionist Council acting as agent for payment?

Mr. HAMLIN. In this case the American Zionist Council was accepting the money from us and turning it over to the Zionist groups; yes, sir.

The CHAIRMAN. Which organization determines how large these payments are?

Mr. HAMLIN. This is a decision of the Jewish Agency.

The CHAIRMAN. Is the KH an American or foreign organization?

Mr. HAMLIN. The KH is an American organization.

The CHAIRMAN. Did the Jewish Agency organize the American Zionist Council?

Mr. HAMLIN. No, sir. The American Zionist Council was organized by the American Zionist groups.

Senator SYMINGTON. Mr. Chairman, I have to leave soon. Could I ask a couple of questions?

The CHAIRMAN. Yes; of course.

I may say I am going a little faster. Much of this is cumulative, but we will have to stop at 5:30.

I don't know whether I will be able to complete this or not. Most of this is cumulative, but you may certainly ask questions.

QUESTIONS CONCERNING REGISTRATION UNDER THE ACT

Senator SYMINGTON. Thank you.

Mr. Hamlin, You are the executive secretary of the American Jewish Agency, the American Section?

Mr. HAMLIN. If I may correct you, executive director of the Jewish Agency—American Section, Inc.

Senator SYMINGTON. American Section, Inc.

Mr. HAMLIN. As distinguished from Jewish Agency for Israel, Inc. of which Mr. Hammer is the executive vice chairman.

Senator SYMINGTON. Right. You have been operating this agency since when?

Mr. HAMLIN. I became executive director in early 1961.

Senator SYMINGTON. What were you doing before that?

Mr. HAMLIN. I was the administrative director part of the period between 1959 and—between 1959 and 1960; I was the administrative director of the Jewish Agency for Israel, Inc., the former body, and when the reorganization took place, I continued with the title of "administrative director" of the American Section, and in early 1961 became the executive director of the American Section.

Senator SYMINGTON. Now, does your organization register under the Foreign Agents Registration Act?

Mr. HAMLIN. Yes, sir; it does.

Senator SYMINGTON. Did you do everything, to the best of your knowledge, to conform to the regulations?

Mr. HAMLIN. Yes, sir; we did.

Senator SYMINGTON. Did you ever have any discussions as to how to get around the regulations?

Mr. HAMLIN. No, sir.

Senator SYMINGTON. When you signed up on this, what is the name of it now again—

Mr. BOUKSTEIN. Foreign Agents Registration Act.

Senator SYMINGTON. Foreign Agents Registration Act, did you ask your lawyers how to do it?

Mr. HAMLIN. Yes; we consulted with our attorneys.

Senator SYMINGTON. Who were your attorneys?

Mr. HAMLIN. Mr. Boukstein.

Senator SYMINGTON. So if you have made any trouble, we will load it on Mr. Boukstein, is that it? [Laughter.] In other words, it would have been a legal mistake, not an administrative mistake.

Mr. HAMLIN. I do not know whether we made any mistake.

The CHAIRMAN. I wish the record to show that as far as the chairman is concerned, he is not alleging at all that you made any mistakes. What I am seeking to find out is how this operates.

Mr. HAMLIN. Yes. We are here to do the best we can.

The CHAIRMAN. I have said nothing, I hope, to lead you to believe that you have made any mistakes. Whether or not you have, the record will show.

QUESTION OF INTENTION OF GAIN

Senator SYMINGTON. I was not in any way implying anything unfair. We had a witness this morning who stated there never was any idea of manipulating it for gain. Is that true of you also?

Mr. HAMLIN. Sir, we are a public organization.

Senator SYMINGTON. Please, yes or no.

Mr. HAMLIN. No, sir. There was no such manipulation or desire to manipulate.

Senator SYMINGTON. You are under oath?

Mr. HAMLIN. Yes, sir; I am.

Senator SYMINGTON. And you are saying if there was any mistake it was a technical mistake?

Mr. HAMLIN. Definitely.

Senator SYMINGTON. What I am trying to develop is that there was no getting together with any individual or group to try to work around the Foreign Registration Act.

Mr. HAMLIN. No, sir; absolutely not.

Senator SYMINGTON. Have you had any case of anybody trying to get personal gain out of this?

Mr. HAMLIN. No, sir; never during my experience in the Jewish Agency.

Senator SYMINGTON. Do you know of any contributions that have been made to any politicians?

Mr. HAMLIN. No, sir.

Senator SYMINGTON. Directly or indirectly, in any way of any kind whatever?

Mr. HAMLIN. None whatever, to my knowledge.

Mr. BOUKSTEIN. I should say I didn't think Mr. Hamlin said that he violated the law directly or indirectly in any way.

The CHAIRMAN. No one else has said that.

Senator SYMINGTON. Well, the impression I got this morning from the testimony is that, based on that \$500,000 not being listed in detail there might be a technical violation of the statute. But you say I am wrong on that, Mr. Boukstein; is that right?

Mr. BOUKSTEIN. Correct.

Senator SYMINGTON. Then I will accept your judgment because you have had great experience in the law. It did seem you might have listed it in a little more detail.

The point I want to make is if it was a technical omission, not one by design, in order to obtain something which otherwise you would not get under the law. Correct?

Mr. BOUKSTEIN. I so understood what you said, Senator Symington.

Senator SYMINGTON. Thank you, because I think motive is the most important aspect, at least it is to this member of the committee.

Mr. BOUKSTEIN. Of course.

Senator SYMINGTON. Thank you.

Mr. HAMLIN. Thank you, sir.

SPECIAL PUBLIC RELATIONS

The CHAIRMAN. Let me see, I understand from the staff that the vouchers of the Jewish Agency-American Section for the years 1960, 1961, and 1962 frequently show payments to the American Zionist Council for so-called special public relations projects—

Mr. HAMLIN. Yes.

The CHAIRMAN (continuing). Without further identification.

Can you at this time indicate what these expenses were for?

Mr. HAMLIN. Yes, sir. These expenses were for the Middle East Affairs which we discussed earlier.

The CHAIRMAN. Mr. Kenen's?

Mr. HAMLIN. So-called Shwadran payments.

The CHAIRMAN. Shwadran payments?

Mr. HAMLIN. Yes.

The CHAIRMAN. Can you give us a statement showing this from your records?

Mr. HAMLIN. I will be glad to, sir.

(See appendix 2, p. 1419, item 9.)

FUND-RAISING AND AZC

The CHAIRMAN. I believe I have already asked you why you financed these through the American Zionist Council rather than directly.

Mr. HAMLIN. Yes, you did, sir.

The CHAIRMAN. You say it is a matter of convenience?

Mr. HAMLIN. A matter of convenience.

The CHAIRMAN. Aside from the case—

Mr. HAMLIN. Also, if I may add there, as I said before, that it was our hope that the American Zionist Council, that the Zionist groups which make up the American Zionist Council, would develop their fund raising in the United States to be able to take over all of these relationships.

The CHAIRMAN. Aside from the KH Subventions and the payments for special public relations projects, did the Jewish Agency-American Section provide other funds to the American Zionist Council in the fiscal year ending March 31, 1961?

Mr. HAMLIN. To the best of my memory not in that year; to the best of my memory not in that year.

LETTER CONCERNING PAYMENTS TO AZC

The CHAIRMAN. I show you a copy of a letter dated January 25, 1962, addressed to Dr. Isaac Moyal, the Jewish Agency-American Section, and signed L. A. Pincus, and ask if a copy of this letter appears in your files?

Mr. HAMLIN. Yes.

(A copy of the letter referred to follows:)

THE EXECUTIVE OF THE JEWISH AGENCY,
OFFICE OF THE TREASURER,
Jerusalem, January 25, 1962.

DR. ISAAC MOYAL,
The Jewish Agency-American Section,
New York, N.Y.

DEAR MOYAL: This is to confirm the arrangement that I have arrived at with Rabbi Miller with regard to his budgetary commitments up to and including March 31, 1962:

1. We are prepared to make available to him for this period the sum of One Hundred Ninety-Seven Thousand Five Hundred Dollars (\$197,500.-), provided that the constituent organizations of the Council will fulfill their obligations of \$90,000.- during this period. My undertaking to Rabbi Miller is that we will pay our share pro rata to the amounts he receives from these organizations. His other income is certain save for monies he is to raise from dinners and federations. He assures me they are going all out to try to achieve the collection of \$45,000.- in this way.

2. By February 15th, he will provide me with a line-by-line budget for six months as from April 1, 1962. We would then be able on my arrival in the States to finalize this budget, taking into account the progress made in regard to the reorganization of the Council.

Yours sincerely,

L. A. PINCUS.

The CHAIRMAN. Would you identify Dr. Isaac Moyal?

Mr. HAMLIN. Yes. He is the representative of the Jerusalem Treasury, resident in New York.

The CHAIRMAN. The Jewish Agency Treasury or what?

Mr. HAMLIN. Yes. The Treasury of the Jewish Agency in Jerusalem who came here to represent them in some financial operations on their behalf.

The CHAIRMAN. Is he a member of the Executive?

Mr. HAMLIN. No, sir; a staff member.

The CHAIRMAN. A staff member?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. Who is L. A. Pincus?

Mr. HAMLIN. Mr. Louis A. Pincus is the treasurer of the Jewish Agency, Jerusalem.

The CHAIRMAN. Jerusalem?

Mr. HAMLIN. Yes.

The CHAIRMAN. I see. And they were just here temporarily?

Mr. HAMLIN. Dr. Moyal is Dr. Pincus' representative in New York. Mr. Pincus resides in Jerusalem.

The CHAIRMAN. He resides in Jerusalem?

Mr. HAMLIN. Yes.

The CHAIRMAN. The letter reads as follows:

This is to confirm the arrangement that I have arrived at which Rabbi Miller with regard to his budgetary commitments to and including March 31, 1962:

1. We are prepared to make available to him for this period the sum of one hundred ninety-seven thousand five hundred dollars (\$197,500) provided that the constituent organizations of the Council will fulfill their obligations of \$90,000 during this period. My undertaking to Rabbi Miller is that we will pay our share pro rata to the amounts he receives from these organizations. His other income is certain save for monies he is to raise from dinners and federations. He assures me they are going all out to try to achieve the collection of \$15,000 in this way.

2. By February 15, he will provide me with a line-by-line budget for six months as from April 1, 1962. We would then be able on my arrival in the States to finalize this budget, taking into account the progress made in regard to the reorganization of the council.

Who is Rabbi Miller?

Mr. HAMLIN. The Chairman of the American Zionist Council.

The CHAIRMAN. Were the payments contemplated by the Executive of the Jewish Agency, that would be in Jerusalem, to the American Zionist Council in this letter actually paid?

Mr. HAMLIN. I will have to look up my records, sir.

The CHAIRMAN. You have no memory of it?

Mr. HAMLIN. I have no doubt that they were paid.

The CHAIRMAN. Were they paid by the American Section?

Mr. HAMLIN. Yes, sir; by the American Section.

The CHAIRMAN. I take it these payments cover the period January 25, 1962, to March 31, 1962, is that correct?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. These payments could, I take it, be applied to anything within the council's budget for the period?

Mr. HAMLIN. I beg your pardon, Mr. Chairman.

The CHAIRMAN. These payments could be applied to anything within the council's budget for the period?

Mr. HAMLIN. Yes, sir.

REQUEST FOR COPY OF WRITTEN AGREEMENT BETWEEN JERUSALEM AGENCY AND AMERICAN ZIONIST COUNCIL

The CHAIRMAN. I show you a copy of a letter dated May 30, 1962, addressed to Dr. I. Moyal and signed by L. A. Pincus, and ask you if a copy of this letter appears in your files?

Mr. HAMLIN. Yes.

(A copy of the letter is as follows:)

THE EXECUTIVE OF THE JEWISH AGENCY,
OFFICE OF THE TREASURER,
Jerusalem, May 30, 1962.

Dr. I. MOYAL,
The Jewish Agency—American Section, Inc.,
New York, N.Y.

DEAR MOYAL: The matter of the American Zionist Council will come up for final decision before the Executive next Monday. Whatever that decision may be, and the details will be worked out later, will you kindly for the month of June give Mr. Bick \$15,000 (Fifteen thousand dollars) per week without requiring any details as to the items of expenditure. The agreement, in any event, will be based on a monthly audited statement to be given to you and then submitted to us here.

The recommendation that is being made to the Executive, and which will probably be accepted, is as follows:

(1) \$712,000 to be contributed by us (half from the departments that work in America and half from the reserve);

(2) \$300,000 to be raised by the Zionist Council itself;

(3) The total budget of the Zionist Council is as submitted by the Council to me and from which they have to cut \$50,000. The agreed view between us and the representatives of the American Zionist Council is that this cut cannot take place at the expense of the Youth and Education Departments.

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.

Yours sincerely,

L. A. PINCUS.

The CHAIRMAN. The first paragraph, I believe, of the letter reads:

The matter of the American Zionist Council will come up for final decision before the executive next Monday. Whatever that decision may be, and the details will be worked out later, will you kindly for the month of June give Mr. Bick \$15,000 per week without requiring any details as to the items of expenditures. The agreement, in any event, will be based on a monthly audited statement to be given to you and then submitted to us here.

The recommendation that is being made to the executive, and which will probably be accepted, is as follows—

I won't read all of it.

You have it. Tell me, was the recommendation made to the Executive in substance approved?

Mr. HAMLIN. Yes, sir; it was.

The CHAIRMAN. That is, the Executive is the Executive in Jerusalem?

Mr. HAMLIN. That is right, sir.

The CHAIRMAN. In that last paragraph—I won't read those figures—it says:

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.

Was there such a written agreement?

Mr. HAMLIN. I don't know, sir. I will have to check it.

The CHAIRMAN. Can you check and see? It says it will be worked out, and I assume it will be.

Mr. HAMLIN. I will be glad to check it.

The CHAIRMAN. You will check that.
(See appendix 2, p. 1420, item 10.)

The CHAIRMAN. Do you happen to know, Mr. Boukstein, was such an arrangement written?

Mr. BOUKSTEIN. I wouldn't know.

Mr. HAMLIN. I will be glad to look that up and let you know.

Mr. BOUKSTEIN. Just so you may know, Mr. Chairman, my office is not in the office of the Jewish Agency. It is just a client.

QUESTION OF AUDITED STATEMENTS OF AZC SENT TO AMERICAN SECTION

The CHAIRMAN. Have monthly audited statements, as contemplated by the letter, been sent to the Jewish Agency—American Section by the American Zionist Council?

Mr. HAMLIN. I don't know. I will have to check that, also, sir.

The CHAIRMAN. This is something which involves \$700,000. Who would know about this?

Mr. HAMLIN. Well, Dr. Moyal would know; yes. He was acting under the direct instructions of the treasurer in Jerusalem.

The CHAIRMAN. But they were sent to the Jewish Agency—American Section?

Mr. HAMLIN. Pardon me?

The CHAIRMAN. They were contemplated to be sent to the Jewish Agency—American Section, were they not?

Mr. HAMLIN. That is right.

The CHAIRMAN. You don't know—

Mr. HAMLIN. But the negotiations—the matter was controlled by, in effect controlled by, Dr. Moyal on behalf of Mr. Pincus in Jerusalem.

Mr. BOUKSTEIN. Mr. Chairman, I am not so sure Mr. Hamlin understood your question. Were you referring to the monthly audit?

The CHAIRMAN. Yes.

Mr. BOUKSTEIN. Did you understand the question?

Mr. HAMLIN. Yes. The chairman asked whether we could get—no, whether the request of the letter was fulfilled; namely, the submission of the statements.

Mr. BOUKSTEIN. No; the monthly audits. The letter speaks of monthly audits. Did you get monthly audits from the American Zionist Council?

Mr. HAMLIN. Not I, but I am ready to check for you if you wish whether our office got it, whether Dr. Moyal received such audits.

(See appendix 2, p. 1420, item 11.)

The CHAIRMAN. Well, do you know whether you or Dr. Moyal received audits?

Mr. HAMLIN. I did not receive it; I definitely did not.

The CHAIRMAN. Do you know whether Dr. Moyal received it?

Mr. HAMLIN. I don't know definitely whether he did or not.

The CHAIRMAN. Well, did the Zionist Council get this money from you or from the—directly from the Jewish—from the Agency in Jerusalem?

Mr. HAMLIN. From the American Section; from us.

The CHAIRMAN. It did get it from you?

Mr. HAMLIN. Yes, sir; they did.

The CHAIRMAN. Then, if it got it from you, I would normally assume that the audited statements would come to you, wouldn't they?

Mr. HAMLIN. We would assume so, but I have to check it.

The CHAIRMAN. You check that and supply it for the record.
Mr. HAMLIN. Yes, sir; I will.
(See appendix 2, p. 1420, item 11.)

PERCENTAGE OF INCOME FROM JEWISH AGENCY

The CHAIRMAN. I show you a copy of a memorandum dated July 10, 1962, addressed to Miss Fannie Speiser from Dr. I. Moyal on the subject "Allocation by the Jewish Agency to AZC for period April 1, 1962, to March 31, 1962," and I ask you if a copy of this memorandum appears in your files?

Mr. HAMLIN. Did you ask whether this memorandum was in my files?

The CHAIRMAN. Yes, sir; your organization.

Mr. HAMLIN. Yes, sir.

(A copy of the letter is as follows:)

THE JEWISH AGENCY—AMERICAN SECTION, INC.,
July 10, 1962.

MEMORANDUM

To: Miss Fannie Speiser.

From: Dr. I. Moyal.

Subject: Allocation by the Jewish Agency to AZC for period April 1, 1962, to March 31, 1963.

At a meeting held on June 25, 1962, in which Mr. Pincus, Mr. Bick, Rabbi Unger, and I participated, it was decided:

1. The allocation to the AZC amounting to \$712,000 would be paid as follows:

Estimated rent for space occupied by the AZC at 515 Park Avenue (final figure to be agreed upon by Bick, Hamlin and myself)-----	\$85,000
Estimated service charges (final figure to be adjusted in accordance with actual services rendered)-----	68,000
Cash payments:	
a. Four weekly payments during April 1962, of \$14,000 each and one lump-sum payment of \$10,000-----	66,000
b. Four weekly payments during May 1962, of \$16,000 each-----	64,000
c. Five weekly payments during June 1962, of \$15,000 each-----	75,000
d. Thirteen weekly payments during July, August, and September 1962, of \$12,000 each-----	156,000
e. Sixteen weekly payments of \$8,000 and ten weekly payments of \$7,000 each during the period October 1962, to March 1963-----	198,000
	<hr/> 712,000

2. Mr. Bick informed us that he erred when he estimated the amounts due to the youth movements for the budgetary year 1961-62 as being \$50,000. Bick said that the total amount was actually \$60,000. As we have already paid the \$50,000, it was agreed that the remaining \$10,000 should be divided equally between the AZC and the Jewish Agency. Hence, over and above the amount of \$712,000 allocated we shall, at the request of Mr. Bick, pay him the further sum of \$5,000.

3. It was further agreed that the \$100,000 loan taken by the AZC from Bank Leumi should be the responsibility of the Jewish Agency, although left on the books of the AZC as their debt.

This means that we shall have to pay interest on the note signed by the AZC and guaranteed by us. When the time comes we shall, of course, have to pay the principal.

I. MOYAL.

c.c. Mr. A. L. Pincus, Mr. Y. Gileadi, Mr. C. Bick.

AMERICAN ZIONIST COUNCIL

Budget, April 1, 1962-March 31, 1963—Income from Jewish Agency

Total-----	\$712,000
Less rent-----	85,000
	<hr/> 627,000
Less service charges-----	68,000
	<hr/> 559,000
Less received:	
April 1962: 4 weekly payments at \$14,000-----	\$56,000
May 1962: 4 weekly payments at \$16,000-----	64,000
June 1962: *5 weekly payments at \$15,000-----	75,000
	<hr/> 195,000
	<hr/> 364,000
Less:	
July, August, September 1962: 13 weekly payments at \$12,000-----	156,000
October 1962-March 1963: 26 weekly payments at \$8,000-----	208,000

*NOTE.—Based on 5 payments in June.

The CHAIRMAN. Just so we do not forget it, who is Miss Speiser?

Mr. HAMLIN. Miss Speiser is our controller, acting controller.

The CHAIRMAN. And Dr. Moyal is the representative of the treasury?

Mr. HAMLIN. Of the Agency treasury in Jerusalem; yes, sir.

The CHAIRMAN. This memorandum, which I will place in the record, outlines the manner in which the Jewish Agency would make payments totaling \$712,000 for the period to the Council. It also describes an agreement whereby \$100,000, a \$100,000 loan, taken by the American Zionist Council would become the "responsibility" of the Jewish Agency, both as to repayment of the principal and payment of interest "although left on the books of the AZC as their debt."

What percentage of the council's income during the fiscal year ended March 31, 1963, came from the Jewish Agency?

Mr. HAMLIN. I don't know, sir. The bulk; yes.

The CHAIRMAN. Could you estimate it?

Mr. HAMLIN. Over 80 percent surely, Mr. Chairman.

The CHAIRMAN. Over 80 percent?

Mr. HAMLIN. Over 80 percent.

The CHAIRMAN. Were reports submitted by the American Zionist Council to the Jewish Agency?

Mr. HAMLIN. I have never seen such reports, sir.

The CHAIRMAN. You have never seen reports of the American Zionist Council?

Mr. HAMLIN. I personally have never seen such reports.

The CHAIRMAN. Well who in the organization would see them?

Mr. HAMLIN. Possibly Dr. Moyal.

Mr. BOUKSTEIN. Mr. Chairman, may I say something?

The CHAIRMAN. Yes.

Mr. BOUKSTEIN. I have gone through the files, and I can tell you that if we had seen financial reports of the American Zionist Council to the agency we would have made them available, just as we made available the financial memos and bookkeeping memos and so forth that you have.

The CHAIRMAN. Maybe it is a misunderstanding. I was not thinking of an audited report here. These are the reports of their activi-

ties. We had many of them this morning, Mr. Boukstein, you remember. The American Zionist Council giving reports, that is at least when Mr. Hammer was there, as to what they do. You mean they no longer get such reports? What did they do with the money you gave them?

Mr. HAMLIN. We have an idea of what they do with the money.

The CHAIRMAN. Don't they give you written reports?

Mr. HAMLIN. No; they don't.

The CHAIRMAN. Well, they did formerly; didn't they?

Mr. HAMLIN. Not during my time.

The CHAIRMAN. When Mr. Hammer was there they did; it was so testified this morning.

Mr. HAMLIN. That may be; not during my time.

THE BANK LEUMI

The CHAIRMAN. That is right. They were reports of activities that they carry on, is what I had in mind.

Tell me, what is the Bank Leumi?

Mr. HAMLIN. It is an Israeli bank with an office in New York. Translated, it means the national bank of Israel.

The CHAIRMAN. Is it a Government institution?

Mr. HAMLIN. No, sir.

The CHAIRMAN. Privately owned?

Mr. BOUKSTEIN. Are you looking to me for an answer?

The CHAIRMAN. No, I mean, if you do not know—

Mr. BOUKSTEIN. I happen to be counsel for the bank. I can tell you.

The CHAIRMAN. All right. What is it?

Mr. BOUKSTEIN. In fact, I registered its stocks with the Securities and Exchange Commission. It is a nongovernmental bank, owned by stockholders all over the world.

The CHAIRMAN. Private people?

Mr. BOUKSTEIN. Private individuals; yes. Its voting shares are controlled by a self-perpetuating trust which was formed some 50 or 60 years ago, when it was known as the Anglo-Palestine Bank, Ltd., chartered in London.

The CHAIRMAN. Its trust was located in London?

Mr. BOUKSTEIN. It was at one time located in London. It is now located in Tel Aviv.

The CHAIRMAN. It has trustees?

Mr. BOUKSTEIN. It has trustees.

The CHAIRMAN. How many?

Mr. BOUKSTEIN. I do not remember the exact number. I would say somewhere between 15 and 20.

The CHAIRMAN. Are any of them members of the Government of Israel?

Mr. BOUKSTEIN. No, sir.

The CHAIRMAN. They are all private citizens?

Mr. BOUKSTEIN. Right.

MEMO CONCERNING 1962-63 BUDGETARY YEAR

The CHAIRMAN. I show you a copy of an undated memorandum titled "American Zionist Council, Committee on Information and Public Relations," which outlines that committee's plans for the 1962-63 budgetary year, and ask if a copy of this memorandum appears in your files?

Mr. HAMLIN. Yes, sir. This appeared in our files.

The CHAIRMAN. I will just file it for the record.

(The document referred to follows:)

AMERICAN ZIONIST COUNCIL

COMMITTEE ON INFORMATION AND PUBLIC RELATIONS

The Committee carries on a major part of its work through highly specialized subcommittees composed of professionals in specific areas of activity who volunteer their services to the American Zionist Council. It is the subcommittee chairmen who have been instrumental, for the most part, in mobilizing these experts to serve with them to help interpret Israel to the general American public. In addition, the AZC staff carries on a number of activities on its own without benefit of these volunteers.

The Committee plans to operate in the following areas during the 1962-63 budgetary year.

1. Magazines

Cultivation of editors.

Stimulation and placement of suitable articles in the major consumer magazines.

Reprinting and distribution of favorable materials which appear in the above publications.

Stimulation of articles in trade and specialized journals.

Liaison with writers resident in Israel via a literary agent in New York for ideas and placement.

2. TV, Radio, Films

The Department arranges for talks and interviews on Radio and TV, and servicing of film requests.

It also cultivates leading personalities in these media.

It encourages networks and stations to create programs revolving around Israel.

3. Christian Religious Groups

Cultivation of key religious leaders and groups.

Setting up Seminars on Israel for Christian clergy.

Stimulating of positive articles in the Protestant and Catholic press.

Counteraction of hostile material in that press.

Reprints and distribution of favorable materials from the church press.

Stimulation of suitable articles in the journals of the Jewish religious groups.

4. Academic Circles

Support of the American Association for Middle East Studies.

Support of the Inter-University Committee on Israel.

Cultivation of leaders in the academic community.

Stimulation of "Israel Day" on college campuses.

Cooperation with colleges and universities in setting up of Seminars on the Middle East.

Monitoring and counteraction of material in the campus press.

Stimulating of articles in academic journals.

Guidance to student Zionists and other Jewish students on Arab-Israel issues.

Counteraction of hostile faculty and Arab students.

Preparation of materials for elementary and high school faculty.

5. *The Daily Press*

Cultivation of editors.
Stimulation of positive material via syndicated writers, columnists, etc.
Counteraction of hostile material.
Reprinting and distribution of favorable materials.

6. *Books*

Assistance to publishers in the promotion of worthwhile books.
Promotion of reviews of favorable books.
Distribution of books to public and college libraries.

7. *Speakers*

The Speakers Bureau will continue to utilize Israelis, American Christians, and American Jews on academic, religious, civic, and other platforms around the country for positive presentations on Israel.

8. *Liaison with organizations, both on the national and local levels, especially those with an international relations program*

Special liaison with Negro community.

9. *Projects and Issues*

Issuance of special material and guidance on controversial issues such as Arab refugees, Syrian-Israel situation, etc.
Programing for special occasions such as Yom Haatzmaut, etc.

10. *Visitors to Israel*

Subsidization to individual public opinion molders to help provide them with an experience in Israel.
Inter-University Committee Study Tour to Israel.
Organize other tours in which public opinion molders will participate.
Provide suitable arrangements in Israel for handling of American visitors.

11. *Counteracting the Opposition*

The monitoring and counteraction of all activities carried out here by the Arabs, American Friends of the Middle East, and other hostile groups.

12. *Miscellaneous*

Answering requests for information and providing suitable literature for the many thousands of requests annually received.

The CHAIRMAN. This indicated some of the activities of the American Zionist Council.

I show you—this is during that same period in which you have just testified they supplied about 80 percent of their funds? The Agency is supplying 80 percent of the funds?

Mr. HAMLIN. There is no date on it, but we can assume that.

The CHAIRMAN. Yes. It says there, as follows:

During the 1962-63 budgetary year—

I mean the memo, itself, says that.

Mr. HAMLIN. Yes. Oh, yes, excuse me.

The CHAIRMAN. You will have to excuse me. I will be gone about 5 minutes to vote on the floor.

Mr. HAMLIN. May I add one sentence to that? This is a description of the public information activities of the council. There were other activities, of course.

The CHAIRMAN. These are part, at least, of their activities.

We will recess for a few minutes.

(Whereupon, a short recess was taken.)

VOUCHER DATED JUNE 22, 1962

The CHAIRMAN. The committee will come to order.

I show you a copy, Mr. Hamlin, of a voucher in the name of the Jewish Agency—American Section, dated June 22, 1962, in the amount of \$6,198.11, payable to the American Zionist Council, for K. H. Subventions for May 1962, and special public relations budget, and ask if you signed such a voucher?

Mr. HAMLIN. I did, sir.

The CHAIRMAN. We will put that in the record.

(The voucher referred to follows:)

REPORT OF OCTOBER 1962 ON AZC ACTIVITIES SUPPORTED BY THE
AMERICAN SECTION

The CHAIRMAN. I show you a copy of a report entitled "Department of Information." The following report was delivered by Mrs. Judith Epstein, chairman of the department, before a meeting of the executive committee of the American Zionist Council, of October 30, 1962, and I ask if a copy of this report appears in your files?

Mr. HAMLIN. Yes, sir; it did.

(A copy of the report is as follows:)

REPORT—DEPARTMENT OF INFORMATION

(The following Report was delivered by Mrs. Judith Epstein, Chairman of the Department, before a meeting of the Executive Committee of the American Zionist Council on October 30, 1962)

Mrs. Epstein prefaced her Report by pointing out that the work of the Department, under her Chairmanship, was continuing along the lines established over the years ever since the formation of the American Zionist Emergency Council in 1939 at the outbreak of World War II. At that time, there was the desperate need to influence public opinion on behalf, first, of the open-door policy of Palestine to receive the refugees from Hitler, and then, to pursue the fight for the Jewish State and the recognition of the right of the Jewish people to reconstitute themselves as a nation in Palestine. After the establishment of the State, our organization, under the name of the American Zionist Council, continued in the public relations field, helping to create a favorable climate of opinion for the new State and to mobilize Jewish and non-Jewish support for Israel.

At that time, the Department had a budget of \$750,000. Today the budget is \$175,450 with an obligation to carry on a comprehensive, diverse and complex project which demands personnel and funds. However, she pointed out that part of the work of the original Council had now been taken over by the Kenen Committee which was charged with political action, formerly in the province of the American Zionist Council. All approaches to the Hill, to the political parties, etc., are now the responsibility of the American-Israel Public Affairs Committee whose funds are not tax exempt. Thus, greater emphasis is now put on the more subtle approach, which, through positive presentation of Israel's accomplishments, aims, and purpose—and by counterattack of the many enemies of Israel and the Zionist movement—helps to create a favorable image of Israel and the Zionist movement.

There have been two new developments in the Department in the last two years.

(1) The intensification of our public relations work within the local communities and the strengthening of the movement at grassroots level, and (2) the establishment of committees of volunteers on the National level. We now have six such committees made up of men and women who are highly skilled and trained professionals in their respective fields and who volunteer their services because of a deep interest in Israel and a concern for its welfare. Although few are committed Zionists in the traditional sense of the word, they are happy to function under the aegis of a Zionist body such as ours.

STAFF WORK

Our work is implemented on two levels: staff and volunteer. Let me first take the work of the staff. We are fortunate in having a devoted, highly skilled team, inadequate in numbers to the enormity of the project, but which nevertheless carries on without cease. Unquestionably, if we could afford a larger staff, we could do a more effective job.

I. Monitoring and counteraction of printed materials.—The office staff monitors the daily press, the Negro press, the Protestant and the Catholic Church press, the academic press, magazines of all kinds and books. When hostile attacks on Israel or the Zionist movement appear anywhere, material is prepared and sent, either directly to the editor or from the office as draft material to our

THE DEPARTMENT OF INFORMATION
N. Y. OFFICE
June 27, 1962
6100 11

AMERICAN ZIONIST COUNCIL

FOR INFORMATION

U.S. Subscriptions for May, 1962
Total Dept. of America 2,100.00
Total Dept. of America 612.00
Federal Labor Zionist Branch 503.00
United Jewish Appeal 160.00
American Zionist Council 300.00
Social Public Relations Budget 3,075.00

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friends and groups throughout the country who might have better access to the particular publication involved. The advantage of having local Zionist Councils is that we are immediately informed by them of any unfriendly attack on Israel from any part of the United States, either directly from the communities or via our Field Offices.

Because of our extensive monitoring service, the routine job of preparing replies to hostile material goes on constantly. In one recent week, for example, we were forced to research and prepare communications in reply to three extremely inimical articles appearing in the Columbia University (Quarterly) Forum, Cosmopolitan magazine, and Editor and Publisher; all three were handled with dispatch and it is hoped the replies will shortly appear. In any case the publications are alerted to the fact that we are prepared to answer any unwarranted attacks of this kind. In an average month, about 25 letters to newspapers and magazines are written or sent, either directly from the National Office or through our Field Offices or by our community contacts after consultation with our National Office.

I do not want to give the impression that all communications we stimulate or send to editors are of a negative nature. Where circumstances warrant—and fortunately much of the U.S. press is now generally favorable to Israel on Middle East issues—commendatory notes are sent off to editors. An important aspect of our work are the meetings we hold with editors—and those held by community leaders with local editors—in order to bring them up to date on the changing Middle East scene. Also, features and special materials are prepared and sent to editors around the country.

The Zionist movement in this country faces enemies of awesome proportions who operate with large budgets; the Arab States with their numerous embassies and consulates, the Arab Information Office, the American Friends of the Middle East, and the American Council for Judaism. While we follow their activities very closely, it is difficult to keep track of all of the action, projects, speeches, and pressures of these bodies. This is why it is very important that local Councils be strengthened throughout the country so that we may be kept informed of anti-Israel activities and help to educate, through all media of communications, the positive role of Israel and the Zionist movement, and from a negative point of view, be able to react to the attacks of these hostile bodies.

Much of the anti-Israel propaganda is of a subtle nature and not necessarily implemented under the imprimatur of the above-mentioned organizations. For example, the Middle East Institute in Washington, while appearing as an objective and scholarly organization, has actually lent itself to the anti-Israel cause. Its annual conference in Washington two years ago, attended by our Dr. Joseph Schechtman was definitely and clearly prejudicial to Israel's case. We asked Dr. Schechtman to write an article dealing with the "objectivity" of the Middle East Institute, which he did, and then arranged to have it published in a well-known publication devoted to Israel's cause. Reprints were made and distributed widely to interested persons. It is noteworthy that at the Conference of the Middle East Institute the following year Israel was treated with more respect and Israel's case given a fairer hearing. We can only assume in this particular case that the exposure we initiated had a beneficial effect.

II. *The Speakers Bureau.*—There is a very well organized Speakers Bureau which, with an absurdly small staff, does an amazing job. Last year, 2,240 engagements were made through the Speakers Bureau; this does not mean 2,240 speakers, but rather 2,240 engagements. In addition to our own roster of speakers, we utilize speakers engaged by commercial bureaus (booking them in those cities to which they are traveling for their own bureaus, or in a city en route) as well as speakers based in the local communities, in order to save on transportation costs. When we send speakers out, we don't send them for a single appearance. Our speakers average from 4 to 7 appearances in a single day. In a typical community, a speaker may talk to a Rotary Club, a World Affairs Council, a church group, a high school assembly or college group, a woman's club, a TV or Radio appearance, a background session with a local editor or commentator, etc. (We believe a speaker should do p.r. work in addition to making public appearances, and many of them are capable of doing this type of job.) Speakers often remain in a community for several days.

The largest part of these engagements is before non-Jewish groups, although at times a request from a Jewish group is serviced at a nominal fee. Where do we get the speakers? The representatives of the Israel Government, visitors from Israel, American men and women—Jews and Christians—who have been

to Israel on organized tours, or through personal visits, specially-equipped Israelis who are invited here to attend some international conference and whose presence in this country is utilized by our Bureau for addresses before meetings arranged by us. Here again, the local Councils are essential for the success of these programs. (I have here a letter from a professor at a University of Buffalo where Mr. Argov, an Israeli Consul, is to speak. The professor learned through the local Zionist Council that Mr. Argov would be in the community and he, therefore, arranged to have him appear at the university before both faculty and students. This is quite typical.)

III. *Research Bureau.*—We have an excellent Research Bureau—again, inadequately staffed from the point of view of quantity though not of quality. We cannot expect every Zionist organization to have available the kind of material which is called for at every moment to answer attacks, to give information, to send materials to friends and potential friends. For instance, Dr. Sidney Marks, Executive Director of the ZOA, had a letter from one of its leaders in Houston asking urgently for information in four specific areas in order to help him prepare an answer to the attack made upon Israel and the Zionist movement in his community. Dr. Marks turned to us and we were able to get the material to Houston in a matter of hours. In addition to our own extensive files, we draw upon a number of other sources equipped to provide the factual information or statistics required. Under the Research Bureau, all this material is gathered, assessed and classified and made ready for distribution when needed.

The Research Bureau also analyzes books and articles which deal with Israel or the Middle East. When the book is favorable, it is recommended. When it is unfavorable, it is analyzed and distortions are pointed up by providing the factual data required, so that our local Councils will be prepared to react to the impact which these books make on the communities. We also stimulate book presentations to libraries, both community and university libraries. When a book like "A Nation of Lions . . . Chained" by Mehdi appears which attacks Israel and American Jews savagely, we bring the book to the attention of our local Councils, to the Jewish Community Councils, and other friends throughout the country, showing the inaccuracies and distortions. Very often we are successful in righting the distorted impression which these books make.

The Research Bureau also services and works closely with our volunteer committees. For instance, the Inter-University Committee has been preparing textbook material as a guide to social science teachers in the junior and senior high schools on the subject of Israel. It would be impossible for these busy academicians to do the painstaking research required. We are grateful that they have organized the material, are seeking the publisher and will seek proper channels through which to get its acceptance into the school systems throughout the country. Our Research Bureau also services requests for all types of information coming from organizations and individuals around the country. While some require only routine attention, others call for extensive research. In an average month, we service about 125 requests for information from Christians and Jews.

IV. *Visitors to Israel.*—Firmly convinced that an experience in Israel gives the visitor an understanding and appreciation of the problems and progress of that country for which there is no substitute, a good part of staff time is devoted to stimulating visits to Israel on the part of public opinion molders, either as individuals or groups. In some cases, subsidy is involved. We have gained many firm and lasting friends for Israel through this aspect of our program, especially in the area of clergy, academic people, and in the communications field.

V. *Special Issues, Projects.*—Our Department also has the responsibility for the preparation of memoranda and for informing the local Zionist Council leaders and Jewish community leadership as to our recommended position and steps for action on issues such as the Arab refugee problem, the Soblen case, the Jordan water dispute, etc. Similarly, we distribute material and advisories for special occasions such as the celebration of Israel's Anniversary, the tenth anniversary of Weizmann's passing, etc.

VOLUNTEER COMMITTEES

I. *The Commission on Inter-Religious Affairs* which is responsible for our effort in gaining friends in the Protestant and Catholic religious communities operates

under the chairmanship of Dr. Judah Nadich. Dr. Nadich has been successful in bringing together an important group of rabbis, representing all shades of religious opinion—Orthodox, Conservative and Reform. Interestingly enough, Dr. Nadich now feels it necessary to add more Orthodox rabbis since the Reform and Conservative are preponderant on the Committee. Most of the member rabbis have close relationships with their national religious institutions as well as with Christian clergymen and, therefore, are in a position to help us advance our work in many communities which we try to reach. The work of this Committee concerns itself with monitoring the Christian church press, stimulating articles presenting Israel and Zionist ideology, answering the hostile attacks very often found in the publications of the Protestant and Catholic Church, as well as cultivating key religious leaders and editors.

Seminars for Christian Clergy: This has been an extremely successful project. There have been ten seminars during the past year, held in important communities throughout the United States. In Boston [deleted], 50 Catholic priests attended. These seminars are generally held under religious auspices. In Boston, for example, the seminar was held under the aegis of the Massachusetts Board of Rabbis which provided the right kind of umbrella for the kind of dialogue which took place, concerned with theological thought, Judaism and Israel, etc. Two excellent speakers [deleted], were the speakers and were very well received. The Commission is encouraged by its experience in this field and will continue the work of the seminars; towards this end it has produced a Manual for Rabbis giving the know-how of establishing these seminars, the steps to be taken, the scope of subject matter, approach, etc. This is a very active Committee and one that has great possibilities for the future, since one cannot underestimate the impact of public opinion of churchmen in this country.

II. Inter-University Committee on Israel.—This is a fairly new Committee, just now beginning to expand. The membership of this Committee had been limited previously to the New York area. (As stated above, it has worked during this past year and a half to produce a Unit on Israel for social studies teachers.) The Committee has now taken the first steps towards transforming itself into a National Committee. Letters have gone out to university professors on campuses throughout the country. At this point, (a letter went out only a short time ago to a small select list), 52 academicians have accepted membership. The names of those who have accepted are highly respected social and political scientists, economists, physicists, historians, etc. It is too early to know how effectively the Committee can exploit this new membership. There is need of a Newsletter which will give information on academic life in Israel, problems facing the Israel universities, Arab-Israel problems, etc. There should be reports on the work of visiting professors from Israel and to Israel. There will be an attempt to secure one or two articles a year in the leading academic publications in this country. All of this calls for great effort and, I am afraid, additional budget, if it is to be effective.

The Inter-University Study Tour of Israel: A very successful tour has just been completed, made up of 49 participants who for the most part paid their own way. Two Negro participants were sponsored by B'nai B'rith and the Anti-Defamation League. Although the tour was under the aegis of the Inter-University Committee, only one-third of the participants came from the universities; two-thirds represented Christian clergy, of 11 denominations. The group came from 19 states. We have learned a great deal from this experience. We are now preparing for the next tour on the basis of achievements as well as problems encountered. We are hopeful that we can secure more academic people this year and if we have a sufficient number, we will divide the tour into two sections when it arrives in Israel since the interest of the clergy and the academic people do not always coincide. This was a true seminar—28 days spent in Israel—with a one-week seminar sponsored by the Hebrew University, with an attempt to present all phases of Israel life in depth. The tour members covered the whole country, met important personages, and came back not only with enthusiasm but with knowledge. These people have already proved helpful to us on their return. A Seminar on Israel is being sponsored by St. Louis University (Catholic) and Webster College. It was initiated by [deleted] who was a member of the tour and came back with a desire to spread knowledge and understanding of Israel, its problems and its achievements. Other seminars are being planned. Many more could be set up if the budget allowed. We have very enthusiastic reports from the communities from

which these tour members came. They have appeared on platforms, have written articles. They are spreading reports of Israel and their experiences, which are enhancing Israel's image on the American scene.

III. Magazine Committee.—This is a very important Committee, chaired by a man who holds a key position on the editorial level in the magazine business. He knows everyone in the trade, has important contacts and exploits them on behalf of Israel. He has just returned from his first visit to Israel where he had an opportunity to discuss the work of his Committee with the men in Israel who are concerned with good public relations for Israel in this country. The Committee itself is composed of 15 writers and editors who are eminent in their respective fields, has built up a "Bank of Ideas" for free lance writers who go to Israel in search of articles and has provided the Israelis with a better idea of the kind of material which is acceptable to the American reading public and magazine editors. We cannot pinpoint all that has already been accomplished by this Committee except to say that it has been responsible for the writing and placement of articles on Israel in some of America's leading magazines.

Writers planning a European visit are invited to sessions of the Committee and encouraged or helped to go to Israel. There is a discussion of the kind of story they should look for, one which may likely bring forth an article in a magazine with which the writer has contact. It also holds sessions with writers who have returned from Israel. The important thing is that an ever-growing group of professional writers, editors, etc. are thinking about and talking about Israel, a process which will inevitably make an impact and help our work in the future.

IV. TV-Radio Committee.—This Committee is composed of professionals in this field, primarily producers and writers. Its chairman until this October was a professional public relations woman who is unable to continue in that capacity. As her successor, we have been fortunate in securing the services of the director of creative projects of an important TV chain. We are hopeful that through his contacts in the profession, we shall be able to expand the influence and work of the Committee even beyond what we have accomplished in the past year.

The Committee arranges for talks and interviews on radio and TV; submits ideas for possible programs to stations and networks so as to give a better and more sympathetic understanding of Israel to the viewing American public; and takes steps to counteract hostile propaganda in these media. In view of the many millions of Americans who daily watch TV and radio, this is one of the more important media in which we must expand our work.

V. Committee on Community Relations.—This Committee, under the chairmanship of Mr. Bernard Harkavy, has developed into a very interesting and useful instrumentality. It concerns itself with the Negro community, a most complex community where we have many problems. Because of the work which Israel carries on in many new nations of Africa, however, there is a growing sympathetic response from the Negro community to Israel's role. Last year, Eliahu Elth, then in charge of the Afro-Asian Institute for Labor Studies, came to this country; we sponsored a reception for him at the Israel Consulate to which were invited the outstanding members of the Negro community in New York. So favorable was the impact of these men and women that we were told by the Jewish groups concerned with better inter-racial relationships that this effort helped them greatly in their own important work. Four staff people from those Jewish groups have joined our Committee which has already spread a better understanding of the impact that Israel has made on the African nations, the help which it is giving, and the bond of friendship which is growing up between the Africans, for whom the Negroes feel a strong affinity, and Israel. Special mailings have gone to the Negro press; speakers and films have been placed before Negro groups, etc.

VI. Public Relations Advisory Council.—This is our newest Committee which has had only its first meeting and, therefore, it is difficult to know how it will develop. One of the more important public relations men in this city was invited by the Government of Israel to introduce a course on public relations at the University of Tel Aviv and to help the Government map out better procedures for its own public relations effort. Israel was delighted with the contribution which this man made, and he, in turn, came back excited and deeply interested in Israel and everything for which it stood. We were asked to approach him to build up a committee of public relations men who could be called on when and if problems arose which needed the technical know-how and assistance which only such people could give. Mrs. Epstein approached him, found him most

responsive. He sent out a letter and last week 15 of the outstanding public relations men of this city sat around this table to consider how they could be of help in presenting a positive picture of Israel in the U.S.

The first meeting was inconclusive, inevitably. We were not prepared to tackle specific problems. There was a varied degree of knowledge and understanding of Israel among the men, but there was a real interest on the part of all. A second meeting is being called for which we will be much better prepared. We are hopeful that out of it will come a group to whom we can turn and from whom we can get the kind of advice that will prevent us from groping, blindly seeking for the proper approach to our public relations problems.

The Role of the Communities

One word about our effort to transplant this work at the grassroots level, without which its final impact is lost. Mr. Katzman will report at a later date for the Organization Department, but I want here only to add a note. From the minutes of meetings held in such cities as Baltimore, Philadelphia, Boston, and Detroit, we get the strong feeling that some of that which is being done in New York is being transmitted and rooted in the communities. In Baltimore, for instance, there will be a Seminar for Christian Clergy under the aegis of a Johns Hopkins University professor. Our effort to bring in men and women whose services will be available to Israel and to the Zionist movement can best be carried to a successful conclusion through the local Zionist Councils, provided they draw into their work the best talents in their own communities.

However, we are only at the beginning of development in this field, both nationally and locally. The prospects for spreading a real understanding of Israel and of the Zionist movement among Jews and Christians in this country are bright. I am convinced that it can be done. The mechanism is here—what is needed is a willingness and enthusiasm of Jews and Zionists throughout the country to mobilize their strengths, to function as a unified group, and to seize the initiative in presenting the kind of picture of Israel and our Zionist movement which we are trying to build.

One last word. From our experience with our volunteer Committees, we have learned that we can attract into our fold men and women who have no present Zionist affiliation, no definite understanding of what Zionism is—but who have an excited interest in Israel and a willingness to help. Out of their work on the Committees comes a stronger sense of identification, not only with Israel but with Jewish problems and with the Jewish community. Some of them are beginning to understand the meaning of Jewish peoplehood. If we know how to exploit this willingness to become a more integral part of the Jewish people, we can begin to meet our Zionist responsibility, which is an overwhelming one. We must find the tasks, the approach, and the *raison d'être* for Jews all over this country, who, through the channel of the American Zionist Council effort and the wide program of activity it offers, will find their place in Jewish life and will strengthen our American Jewish community for our own sake as American Jews, and for the cause of Israel.

The CHAIRMAN. Now, let us see.

Was this report furnished to the Jewish Agency—American Section, by the American Zionist Council?

Mr. HAMLIN. Sir, this handwriting on this memorandum indicates to me that it was sent to one of the members of our Executive, who is a member of one of the governing boards of the American Zionist Council. It happens to be a member of one of the governing boards of the American Zionist Council.

The CHAIRMAN. But he is also a member of the Jewish Agency?

Mr. HAMLIN. Yes.

The CHAIRMAN. Does this report accurately describe the type of activities of the American Zionist Council which were being financed by the Jewish Agency—American Section?

Mr. HAMLIN. I cannot answer that question honestly, sir, I do not know.

The CHAIRMAN. Who would know about that?

Mr. HAMLIN. Sir?

The CHAIRMAN. Who would know about that?

Mr. HAMLIN. I presume the staff members of the American Zionist Council.

The CHAIRMAN. You are not very familiar with what the American Zionist Council does?

Mr. HAMLIN. I am in a general way, but I am not an officer there or an employee, so I cannot vouch for these activities.

The CHAIRMAN. Do you approve of the budget that they submit to you?

Mr. HAMLIN. No, sir.

The CHAIRMAN. Who does?

Mr. HAMLIN. The treasurer did in this period.

The CHAIRMAN. Who is the treasurer?

Mr. HAMLIN. Mr. Louis A. Pincus.

Mr. BOUKSTEIN. Mr. Chairman, I think there was a misunderstanding. You did not mean him personally. You mean "you" in the sense of the organization?

The CHAIRMAN. Yes, the Jewish Agency.

Mr. BOUKSTEIN. He took it to mean, does he personally approve the budget.

Mr. HAMLIN. Yes, I did.

The CHAIRMAN. Does the Agency approve the budget?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. This was a period in 1962 in which, as you have testified before, the Agency is contributing approximately 80 percent of their budget, and it would be quite natural that you would examine and approve or criticize, or what you like, the budget, would it not?

I did not mean you, personally, in every instance, but I mean the Agency.

Mr. HAMLIN. Yes, the organization, certainly. Now, the treasurer of the Jewish Agency was requested by the executive to negotiate this allocation.

The CHAIRMAN. Who did he negotiate with?

Mr. HAMLIN. With Rabbi Miller and Mr. Bick, the treasurer of the Council.

The CHAIRMAN. That is right.

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. Take the second paragraph of that memorandum, the report, I guess, as you would call it. I quote:

At that time the department had a budget of \$750,000

What is "the department"?

Mr. HAMLIN. Did you ask at what time?

The CHAIRMAN. What does "the department" mean?

Mr. HAMLIN. The department of information.

The CHAIRMAN. Department of information?

Mr. HAMLIN. Yes.

The CHAIRMAN (reading):

Today the budget is \$175,450, with an obligation to carry on a comprehensive, diverse and complex project which demands personnel and funds. However, she pointed out that part of the work of the original council had now been taken over by the Kenen committee which was charged with political action, formerly in the province of the American Zionist Council. All approaches to the Hill,

to the political parties, etc., are now not tax exempt. Thus, greater emphasis is now put on the more subtle approach which, through positive presentation of Israel's accomplishments, aims and purpose—and by counterattack of the many enemies of Israel and the Zionist movement—helps to create a favorable image of Israel and the Zionist movement.

Was direct political action of the unsubtle type at one time in the province of the American Zionist Council?

Mr. HAMLIN. I have no personal knowledge of this, Senator.

The CHAIRMAN. What do you mean by the "Kenen committee"? I had not heard it referred to as a committee before.

Mr. HAMLIN. The "Kenen committee" is the America-Israel Public Affairs Committee.

The CHAIRMAN. I thought he was known as some kind of a reporter up to now. What did he—

Mr. BOUKSTEIN. It was brought out, Senator, he was in two capacities. He is the owner and publisher of a—what is it called—"Near East Report," but, in addition, he is also the director of the American-Israel Public Affairs Committee.

The CHAIRMAN. And that is what this is?

Mr. BOUKSTEIN. Yes.

The CHAIRMAN. Well, we will just place the report in the record.

BUDGET DIGEST OF MAY 1961

I show you a copy of a Budget Digest of the Council of Jewish Federations and Welfare Funds, dated May 1961, concerning the American Zionist Council and ask you if this appears in your files?

Mr. HAMLIN. Yes, sir, this appeared in our files.

(Copy of the document referred to appears in full earlier on p. 1238, and reads in part as follows:)

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 media—radio, television, film, periodicals (\$53,300). It operates a Speakers' Bureau (\$72,700) which is available mainly to non-sectarian groups and provides such groups with Israel speakers of appropriate profession or with other persons prominent in Israel.

The CHAIRMAN. On the second page, you will note there is a concluding sentence:

This separation—

referring to separation of the American Zionist Council from the Jewish Agency—

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.

Am I correct in assuming that since the Jewish Agency—American Section, resumed financing the American Zionist Council, the principle referred to here has either been changed or ignored?

Mr. HAMLIN. Sir, this report was published by the Council of Jewish Federations and Welfare Funds and it was their opinion that the Jewish Agency should not engage in any such activities on the American scene.

The Jewish Agency, Jerusalem, never made any agreements with the Council Federation in that regard.

FIVE MEMORANDUMS RELATING TO ACTIVITIES OF AZC

The CHAIRMAN. I show you now five memorandums from the American Zionist Council dated November 14, 1962, December 28, 1962, January 3, 1963, February 27, 1963, and March 4, 1963; and ask if these memorandums appeared in your files?

I just wish to insert them in the record, if you identify them.

Mr. HAMLIN. Yes, they come from our files.

(The memorandums referred to follow:)

AMERICAN ZIONIST COUNCIL,
New York, N.Y., November 14, 1962.

NO. 31-K

To: Local Zionist Council Chairmen and Key Community leaders.
From: Mrs. Moses P. Epstein, Chairman, Department of Information and Public Relations.

THE ARAB REFUGEE ISSUE IN THE U.N.

In two weeks the Arab refugee issue will be before the United Nations. Once again the delegates and the public at large will have to listen to the Arabs' vituperative attacks on Israel. This year a new factor enters the scene. You will recall that a year ago Dr. Joseph E. Johnson was appointed special representative of the Palestine Conciliation Commission and charged with the task of making an on-the-spot study of the problem in an effort to find a solution. Although they have not been officially published, the results of this study are now known.

It is important that you have the facts on hand and we are, therefore, planning to send you soon a detailed fact sheet. In the interim, this memorandum will serve to inform you of recent developments.

The core of Dr. Johnson's proposals is his recommendation that a poll be taken among the refugees to determine whether they prefer repatriation to Israel, resettlement in the Arab countries or emigration elsewhere. Although Israel would have the right to reject individual Arabs as security risks, the rejected Arabs could appeal adverse decisions to an impartial body operating under the auspices of the United Nations.

With the exception of Syria, the Arab States have not officially rejected this plan. They have lost no time, however, in expressing their opposition to it, for acceptance would mean acknowledging Israel's existence, a condition to which they are unalterably opposed.

Although Israel has not rejected the proposals officially, it has indicated its opposition to the plan which it considers (1) a violation of its sovereign right to decide who may settle within its borders, (2) a serious threat to its security, and (3) a complete evasion of the real solution to the problem which is an end to belligerency and a true desire for peace.

We are hopeful that when our Government is called upon to take its stand on the refugee question in the United Nations General Assembly, it will approach these deliberations in full awareness that the principal issue at stake is not the Arab refugee problem, but Arab belligerence toward Israel. This belligerence has but one aim: the extermination of Israel. The refugee problem itself is merely being used as a means to this end.

That is why for over fourteen years Arab leaders have instilled in the refugees hatred for Israel, and that is why they have refused to discuss any solution other than repatriation. That is also why in their insistence on the fulfillment of paragraph 11 of the 1948 U.N. Resolution which provides for the return of the refugees, they have consistently avoided all reference to the qualifying phrase "refugees wishing to return to their homes and live in peace". Peace is not their intent. Note Mr. Nasser's statement: "If the Arabs return to Israel, Israel will cease to exist." The Johnson proposal for free choice by the refugees, in our opinion, must be viewed in this light.

Moreover, the Johnson proposal offers no plans for resettlement. Indeed, in past years all projects looking toward the integration of the refugees in the Arab countries have been rejected by Arab leaders; the \$200 million set aside by the United Nations for resettlement purposes in 1952 remained largely untouched. It is significant that the Arabs who so piously invoke paragraph 11 of the 1948 Resolution never referred to the section which calls for measures to facilitate the "resettlement and economic and social rehabilitation of the refugees".

The debate will also feature the Annual Report of Dr. John H. Davis, Commissioner-General of the UNRWA. This report is very disturbing; it plays directly into the hands of the Arabs by accepting as fact the assumption that the Arab States cannot absorb the refugees. Dr. Davis fails to take into account the report submitted to the United Nations by the late Dag Hammarskjöld in 1959, in which he outlined a plan for the economic rehabilitation and development of the Middle East that would enable the Arab countries to absorb the refugees. That the problem is not economic but purely political is clearly intimated by Dr. Davis when he observes that the people of the region want economic development "and at an accelerated rate, but not in the context of refugee development". Moreover, in opposing all "works projects designed to settle the refugees" on the ground that most of them are unemployable, Dr. Davis' report fails to reflect the considerable number of refugees who have become self-supporting and found employment in the Arab countries.

The security situation in the Middle East has worsened. Repatriation today represents an even greater threat to peace in the area than at any time since 1948. A number of factors contribute to this situation: Refugees have been extensively mobilized and trained in neighboring Arab countries for the fight against Israel; in the Gaza Strip alone two brigades are to be found.

The current struggle in Yemen may also prove to have a direct bearing on Arab-Israel tension. Should the rebels in Yemen, actively backed by pro-Nasser forces, triumph over those Yemeni troops which are supported by Saudi Arabia, Nasser might easily come into possession of the strategic Saudi oil resources. This could serve to fortify him in his preparations for an attack against Israel.

All outstanding differences between Israel and the Arab States—the Arab refugee problem included—are the outgrowth of the absence of peace. Only by securing a solution of all the problems which exist between the two parties can any one of the problems be solved.

AMERICAN ZIONIST COUNCIL,
New York, N.Y., December 28, 1962.

NO. 33-K

To: Local Zionist Council Chairman and Key Community Leaders.
From: Mrs. Moses P. Epstein, Chairman, Department of Information and Public Relations.

THE ARAB REFUGEE ISSUE IN THE U.N.—No. 2

The General Assembly recently completed its annual debate on the Arab refugee question. As usual, the Arabs consumed the time in the Special Political Committee, where the debate took place, in making attacks rather than in discussing the issues involved. This year they reached a new low in the viciousness of their anti-Israel and anti-Jewish tirades. Particularly vitriolic were the outbursts of Ahmed Shukairy, of Saudi Arabia, who had high praise for the anti-Semitic Tacuara movement in Argentina, and of Hussein Sebri, of Egypt, who referred to Israel as "a Nazi state." In protest the Argentine delegate indignantly denied the significance of the Tacuara organization; Don Raymon Huidobro, of Chile, rejected the movement as violating humanitarian principles, and Hermod Lannung, of Denmark, lashed out "in the name of decency" at the comparison of Israel with the Nazis. Israel's Permanent Representative, Ambassador Michael Comay, gave expression to the bitter anger of Israel against this shameful equating of Israel with Nazism. On the contrary, he indicated that a close link exists between some Arab representatives and propagandists, and neo-Nazi and neo-Fascist groups.

Three resolutions were presented to the Political Committee:

1. A "peace resolution" calling upon Israel and the Arab States to undertake direct negotiations on all outstanding issues, with special reference to the Arab refugee question, was sponsored by 21 African, Latin American and European nations. It was withdrawn only after Arsene A. Usher, of the Ivory Coast, explained, on behalf of the 21 sponsors, that this action was being taken because other delegates felt the resolution was untimely. He indicated, however, that the sponsors still adhere to the principle of direct peace talks. Although the United States refused to support this resolution on the grounds that the timing was not favorable, U.S. Delegate Carl T. Rowan acknowledged that it is very difficult for Israel to compromise "in the face of continued threats against her existence." The attitude of the Israel Government toward this resolution was summed up by Mr. Comay: "It [the Israel Government] can consider its attitude and policy on the refugee question only with regard to the situation as a whole, and the situation includes the state of relations between Israel and its Arab neighbors."

2. A resolution requesting the appointment of a U.N. custodian over Arab property in Israel was sponsored by the three Moslem states of Afghanistan, Mauritania, and Pakistan. Except for Arab support, it received no backing. Mr. Rowan called this proposal a step "clearly designed to strike at the very foundation of Israel's sovereignty." This resolution too was withdrawn.

3. A resolution asking for a two-year extension of the United Nations Relief and Works Agency (UNRWA) mandate—due to expire in June 1963—to June 1965 was introduced by the United States. Originally the United States, which bears 70% of the cost of the Agency's operations and prefers an annual review, favored a one-year extension. This was the only resolution to be passed by the Political Committee and to reach the General Assembly, where it was adopted by a vote of 100 to 0, with two abstentions. In addition to extending UNRWA's mandate, this resolution expressed gratitude to the Palestine Conciliation Commission "for its efforts to find a way to progress on the Palestine Arab refugee problem." Israel, failing to secure a separate vote on this section, abstained in the final vote.

During the session a hearing was given to the Annual Report of Dr. John H. Davis, Commissioner-General of UNRWA. Golda Meir, Israel's Foreign Minister, told the Political Committee that Dr. Davis had exceeded his authority when, in his report, he opposed future economic and development projects in the Middle East in connection with the refugees. He thus placed indicated, in direct opposition to the late Dag Hammarskjöld's 1950 stressed the economic development of the entire area as a key to the of the refugees. It should also be noted that when Dr. Davis st

stagnant Arab economics and the general unemployability of the refugees argues against integration, he also comes into direct conflict with the 1959-60 Annual UNRWA Report, which tells us that "hundreds of thousands of refugees have established themselves in the expanding economies of the Arab countries." The U.S. Government refused to associate itself with some parts of Davis' Report.

The crisis in the U.N. is over for the present. But for Israel many crises and mounting dangers remain on the diplomatic and military fronts. The Johnson Plan with its proposed refugee referendum was omitted from the PCC Report to the General Assembly because of strong opposition on both sides. There is every indication, however, that the United States has not abandoned the essence of the Plan and that it still intends to press for the implementation of Paragraph 11 of the 1948 Resolution which calls for the repatriation of those Arabs who wish to "live in peace with their neighbors" in the State of Israel. This is obviously impossible, for concomitant with demands for repatriation of the refugees, Arab leaders, the Arab press and Government radio persistently proclaim the intent to destroy Israel and return the refugees to an Arab Palestine. On February 11, 1962, Radio Cairo announced:

"The leaders of the Palestinian nation in Gaza reported that the publication of the (Egyptian) constitution represents an additional step towards the liberation of their homeland, particularly after the UAR had strengthened the Palestinians' armed forces and had thoroughly trained them."

Only a few days ago (December 23) Nasser declared:

"As soon as we have completed purging Arab countries of their reactionary rules we shall, God willing, start on the liberation of the plundered fatherland (Israel)."

Militarily, the U.S.S.R. continues to supply the UAR with heavy weapons and long-range missiles. The presence in Yemen during the current crisis of 12,000 Egyptian troops plus large supplies of tanks and aircraft testify to a massive build-up.

On Israel's northern border Syrian troops are massed, Syrian guns are trained, and the frontier area is under full Syrian military control. The lives of Israelis are threatened daily. Indeed, civilian settlements have come under Syrian artillery fire, with Tel Katzir only the latest in a series of episodes. Israel has brought the matter to the Chief of Staff of the U.N. Truce Supervision Organization and to the Chairman of the Israel-Syrian Mixed Armistice Commission and has warned that if these agencies are unable to put a stop to the aggressive action, Israel will be forced to take steps to protect itself.

It is important, therefore, that in your approach to public opinion molders and civic leaders you make them fully aware of the following facts:

1. Under no circumstances can Israel take back the Arab refugees, except within the context of an overall peace settlement. Under the present circumstances, the return of the refugees, who are continually told by their leaders that some day they will push the Israelis into the sea and are organized into military units to fight against Israel, can only endanger the security of the state.
2. U.N. funds must be used to promote works and development projects which will make it possible for the refugees to build new lives among their own people in the Arab lands, as Jewish refugees have done in Israel. The benefits of a prospering Middle East can then be shared by native population and refugees, by Arab States and Israel alike.
3. In this connection, the "Works" part of the UNRWA program must be stressed as a means of preparing the refugees and the area for such integration.
4. As in all parts of the world, face-to-face talks between Israel and the Arab States must be sought in order to solve all outstanding issues. No longer then will the Arab leaders be able to use the Arab refugee question as a weapon against Israel, but rather it will assume its rightful place as only one part of the larger problem, which is the refusal of the Arab States to recognize Israel's existence.

Kindest regards.

NO. 1-L

AMERICAN ZIONIST COUNCIL,
New York, N.Y., January 3, 1963.

To: Local Zionist Council Chairmen and Key Community Leaders.
From: Mrs. Moses P. Epstein, Chairman, Department of Information and Public Relations.

The American Christian Association for Israel, an organization dedicated to the promotion of friendship and understanding between American Christians and the people of Israel, has recently been organized under the presidency of Dr. Howard M. LeSourd, formerly a dean at Boston University, and the Rev. Karl Baehr, director.

A complete statement of principles is contained in the first issue of its publication, "Christians and Israel." You will note that the organization has set itself the twin goals of interpreting "Israel's vital role in the world of today as a democratic force" and the advancement of the cause of peace and welfare in the Middle East. The officers and the National Advisory Committee, still in process of formation, is comprised of men and women of note in various walks of life.

You will readily recognize the importance of a well-informed and active Christian group to serve as a bridge of understanding between Americans and Israelis. We know that there are many Christians in your community who would welcome affiliation with such an organization. As indicated in the attached publication, the annual dues are a nominal \$3.00. We would, therefore, ask you to submit the names and addresses of those in your community whom you consider likely candidates for ACAI, so that the National Office can extend to them an invitation to join. We would appreciate your including full titles and organizational affiliations wherever possible. Kindly address your communication to the Rev. Karl Baehr, American Christian Association for Israel, 515 Park Avenue, New York 22, N.Y.

AMERICAN ZIONIST COUNCIL, NEW YORK, N.Y.

MEMORANDUM

To: Jewish Leadership in Selected Communities.
From: Harry A. Steinberg.
Date: February 27, 1963.
Subject: Max Freedman Series from Cairo.

We enclose herewith suggested material which can be used by you in preparing replies to the Max Freedman articles, in the event they have appeared in one of your local papers.

It is not necessary to use all of this material in your own letters to the editor. Use those portions which you feel will make the most impact on your editor and the readership of the paper.

We request also that you do not use this material in the submitted form, but that you rewrite it so that letters submitted in various parts of the country do not appear to be identical.

We would appreciate your evaluation of the impact of the Freedman series in the event your community newspaper carried it.

Kindest regards.

REBUTTAL MATERIAL TO ARGUMENTS ADVANCED BY EGYPTIANS AND CARRIED IN RECENT MAX FREEDMAN SERIES FROM CAIRO

(When Mr. Freedman speaks of "they," he refers to the group of Egyptian graduate students, journalists and public officials whom he was invited to address during his visit to Cairo.)

Quote from Freedman Article: "They wondered whether the United States would have remained so patient if another new country had extended its frontiers beyond the limits contemplated in the founding resolution of the United Nations."

The facts: Israel abided by the United Nations decision, establishing the State within the borders designated by the UN Resolution of Nov. 29, 1947. On May 15, 1948, a few hours after the state was established, the armies of five Arab States invaded Israel and set off a full-scale war which resulted in the extension

of Israel's borders. Thus it was Arab defiance of the United Nations which was responsible for the development and not an arbitrary act on Israel's part.

Testimony to this historical fact comes from Arab leaders and from our own U.S. delegate to the United Nations at that time, among others:

(1) Azzam Pasha, then Secretary-General of the Arab League, stated on May 15, 1948: "This will be a war of extermination and momentous massacre which will be spoken of like the Mongolian massacres and the Crusades."

(2) Jamal Husseini of the Arab Higher Committee told the UN Security Council on April 16, 1948: "We did not deny that the Arabs had begun the fighting. We told the whole world that we were going to fight."

(3) Senator Warren Austin, U.S. Delegate, told the UN on May 29, 1948 that the Arab armies had marched "to blot out an existing independent government" in "violation of the Charter."

Feb. 28, 1963.

REBUTTAL MATERIAL TO STATEMENTS MADE BY MAX FREEDMAN IN HIS RECENT SERIES FROM CAIRO

Quote from Freedman article: "Of all the Arab countries, U.A.R. has consistently shown the greatest restraint and moderation on the problem of relations with Israel."

The facts: Fedayeen, Arab suicide troops based in Jordan and the Gaza Strip, were organized, trained and financed by Nasser for the single purpose of conducting murderous incursions into Israel. This fact was admitted by Nasser himself, who, in a statement broadcast by Cairo Radio on May 29, 1956 said: "I was no stranger to the Fedayeen. I knew them in Faluja during the war in Palestine. When I decided to raise a unit of Fedayeen. * * * I knew at once that the sons of that land who have faith in their rights to it would be worthy to bear the name of Fedayeen."

Nasser has played a leading role in the Arab boycott and blockade designed to strangle Israel economically. In this connection, in violation of the Constantinople Convention of 1888, the General Armistice Agreement signed by Egypt in 1949 and the Security Council Resolution of September 1951, Egypt has continued to close the Suez Canal to Israel ships and to all ships calling at Israel ports.

Statements by Nasser, Radio Cairo and the official Egyptian press throughout the years indicate the violence of Egyptian hostility toward Israel. These inflammatory statements range from Nasser's 1954 pronouncement: "Israel is an artificial State which must disappear" to such recent dire threats as the following:

"We are prepared to spill blood and to triumph. * * * We are prepared to destroy Israel and those who created her." (Voice of the Arabs, Cairo, May 6, 1960.)

"Our people's determination to liquidate the Israeli aggression against a part of the Palestinian homeland represents a determination to liquidate one of the most dangerous * * * enclaves opposing the struggle of peoples." (From the National Charter presented by President Nasser, May 21, 1962)

"The liberation of Yemen is a step on the road leading to elimination of Zionism." (President Nasser's Port Said speech, December 23, 1962)

February 28, 1963.

REBUTTAL MATERIAL TO ARGUMENTS ADVANCED BY EGYPTIANS AND CARRIED IN RECENT MAX FREEDMAN SERIES FROM CAIRO

(When Mr. Freedman speaks of "they," he refers to the group of Egyptian graduate students, journalists, and public officials whom he was invited to address during his visit to Cairo.)

From Freedman Article: "They believe that the purely national interests of American policy have been subordinated to other pressures."

The facts: This allegation is based on the false assumption that the United States must choose between Israel and the Arab States. In reality the United States is interested in the development and peace of the entire Middle East, an outstanding example being the Johnston Jordan River Plan of the 1950's in which the United States took the initiative.

The record of comparative aid to Egypt and Israel belies charges of partiality to Israel. U.S. economic aid to the Arab States was smaller at the outset mainly because the Arabs did not want to accept such aid. Israel accepted it and did wonders with it. In the past several years the situation has drastically changed. In the fiscal year ending June 1962 U.S. aid to Egypt amounted to \$230.25 million as compared with \$82.45 million to Israel. During that same year U.S. assistance to all the Arab States totaled \$467 million. In addition, the United States contributes 70 percent of the funds needed by the United Nations Relief and Works Agency to maintain and educate the Arab refugees.

American interest in Israel reaches back into our early history. Many presidents of the United States, starting with John Adams, our second president, have given their endorsement to the Zionist idea. There have been numerous expressions of support in Congress in the form of resolutions and statements. Interest has not been limited to political leaders, but has been shared by Americans in all walks of life. It would be doing all of them a grave injustice to suggest that American interest in Israel is only in response to transitory pressures.

February 28, 1963.

AMERICAN ZIONIST COUNCIL,
New York, N.Y., March 4, 1963.

NO. 4-L

To: Local Zionist Council Chairmen and Key Community Leaders.
From: Rabbi Irving Miller, Chairman.

ISRAEL'S FIFTEENTH ANNIVERSARY—No. 2

We trust that by now you have begun to set in motion plans for the observance of Israel's 15th Anniversary (April 29) to which the American Zionist Council alerted you six weeks ago. This Anniversary represents a milestone in Israel's history. Thirty years after the rise of Nazism with its threat to make Europe "Judenrein", the State of Israel stands as a monument to the determination and dedication of the Jewish people. Despite the many problems which confront the Israel of 1963, its achievements in the past 15 years have been truly remarkable.

Many communities already have informed us that they are now planning celebrations commensurate with the significance of this event. In response to requests, once again we recommend specific projects and activities which will enable community leaders to bring to the general and Jewish communities a better understanding of Israel—its role, achievements, and goals.

RECOMMENDATIONS FOR ISRAEL INDEPENDENCE DAY PROGRAMS TO REACH THE GENERAL AND JEWISH COMMUNITY

I. Community-wide Meetings should serve as the focal point of the Anniversary observance. Although the Zionist Councils should spearhead this activity, it is desirable that as many organizations as possible—Christian and Jewish—co-sponsor these celebrations. Youth group participation should also be encouraged. Newspaper, radio, and TV coverage for these communitywide meetings should be arranged.

A documentary script, A Message From Dimona, prepared for last year's Anniversary and brought up-to-date for this year's program, features the exciting growth of a Jewish settlement in the Negev. It is suitable for presentation by local groups affiliated with YMHA's, Jewish community centers, synagogues, etc., and is adaptable for groups of various sizes. This dramatization can be secured from the American Zionist Council at a cost of \$2.

II. Special Youth Celebrations to honor the Anniversary should be encouraged, in addition to youth participation in the general festivities. Programs can include songs, dances, etc.

An Israel Day program on campus should be planned through the Student Zionist Organization, with the cooperation of the Israel Student Organization and the Hillel Foundation wherever possible. Assistance should be forthcoming from adult Zionist and Jewish organizations when required.

III. Proclamations for Israel Day or Week by Mayors and Governors in honor of Israel's 15th Anniversary should be attended by appropriate ceremonies with proper newspaper coverage. To insure advance publicity it is advisable that

the event be held a few days prior to the communitywide celebration. (Sample proclamations are herewith enclosed.)

IV. A Yom Ha'Atzmaut Sabbath should be observed in synagogues on April 27. The Commission on Inter-Religious Affairs of the American Zionist Council is preparing material for special prayers and services for the Anniversary, and this will be sent to the local Rabbinate.

V. Essay Contests for students should be introduced in Sunday Schools, Hebrew Schools, and Jewish Day Schools on some specific theme connected with Israel. Appropriate prizes should be offered.

VI. Local Speakers—Christian and Jewish—should be made available during the Anniversary period to churches, colleges and schools, civic and service club World Affairs Councils, women's clubs, etc.

VII. Local Press coverage should be encouraged in the form of editorial special articles on Israel and interviews with available Israelis or with Jews who have been prominent in the upbuilding of Israel.

VIII. Radio and TV interviews with visiting or local personalities should be encouraged. Requests for films suitable for organizational meetings and TV stations which can be used during this period may be addressed to the various Israel Consulates, the United Israel Appeal Film Department (515 Park Avenue, New York 22, N.Y.) or any of our regional offices.

IX. Library Presentations are recommended as a special feature of the Yom Ha'Atzmaut observance. The presentation of books on the Middle East, Israel and Zionism to municipal and university libraries, through local Councils, an important AZC project throughout the year, is especially appropriate on this occasion. The National Office is prepared to suggest suitable books for this purpose.

Inasmuch as the observance of the 15th Anniversary will be more meaningful for Jews and for Christians if some of the significant patterns and trends that have evolved in Israel during its first decade and a half of Statehood are stressed, we enclose suggestions for themes to be incorporated in to the various Anniversary projects. The enclosed material can be used by speakers on Radio and TV, for press interviews and by those in your community who are interested in having more background information.

Because of the increasing importance of the newly emerging Afro-Asian states and the significance of Israel's relations to these nations, we are sending you two items which contain pertinent facts on the subject: Excerpts from Ruth Gruber's book, *Science and the New Nations*, and a reprint from an article from *Newsweek*, *A Surplus of Brains*. For information on archaeology and the Bible, topics which are particularly suitable for church and academic groups, and on Israel as a sanctuary for new immigrants, we refer you to the booklet, *Facts About Israel 1962*, available from our office at \$0.25 per copy. For Israel's role as an international cultural center, a subject which will find a special response among college and school groups, women's clubs, etc., we enclose material from *The Israel Year Book 1962*, which gives background information on music and art in Israel.

If any further information or assistance is required in connection with your Anniversary preparations, please do not hesitate to be in touch with our Department of Information.

Kindest regards.

IM:ld
Enc.

SUGGESTED THEMES FOR ISRAEL INDEPENDENCE DAY PROGRAMS—1963

1. *New Frontier in the Negev*.—The challenge and conquest of Israel's southern desert is dramatized by the opening of the Negev which comprises two-thirds of Israel's territory. Settlement and the phenomenal cultivation of this wasteland through remarkable feats of water engineering reveal the determination, initiative and courage of the people of Israel in restoring a once thriving civilization and in making room for the immigrants who are yet to come. Conquest of the Negev holds the key to Israel's future. (The documentary script, *A MESSAGE FROM DIMONA*, available from the AZC, highlights this theme.)

2. *Bond Between Israel and New Afro-Asian States*.—This is the thrilling and heart-warming account of a nation still in its early years of Statehood reaching out to younger and more inexperienced nations, bringing to them the

benefit of its experience. Israel's scientists have played a leading role in helping to meet the needs of the underdeveloped areas. In the Summer of 1960 Israel was host to the first International Conference on the Role of Science in the Advancement of New States at the Weizmann Institute in Rehovoth, in which 120 delegates from 40 countries on five continents participated. Recognition was recently accorded Israel's leadership in this field when Abba Eban, President of the Weizmann Institute, was invited to serve as a vice president of the U.N. Conference on Scientific Advances to Aid Underdeveloped Areas in Geneva in February, 1963.

3. *Israel, Old-New Land, Magnet for Jew and Christian*.—For Bible students, archaeologist, social scientist, economist, teacher, student and plain tourist, Israel has a magnetic attraction which derives both from its association with the earliest history of civilization and the fascinating developments of the modern State.

4. *The Bible Lives Again in Israel*.—Many are the Biblical sites in Israel which have come to life, as centers of habitation and as historic shrines. Clergymen of all denominations make the trip to Israel to renew Biblical memories and to view the wonders of 20th Century progress. Archaeological expeditions are inevitably drawn to the Land of the Bible. Biblical military routes and ancient water resources have served as inspirations for modern strategists and engineers. These are a few of the many ways in which the Bible is used as a guidebook in modern Israel.

5. *Israel—International Cultural Center*.—Israel's recognition as an international cultural center has been achieved in the face of the many grave problems with which it has had to cope. The International Book Fair, to be held in Jerusalem this April, will serve as a cultural meeting ground for East and West. It is appropriate that the People of the Book should be host to the first book fair in the Middle East.

This Summer, outstanding musicians and actors will participate in the Third International Music and Drama Festival to take place in Israel. The Israel Philharmonic Orchestra, Inbal (Yemenite Dance Troupe) and the Rinat Choir are local groups which have achieved widespread reputation through numerous appearances abroad. An outstanding sculpture center has been developed in Jerusalem which attracts art lovers from many countries. There are a number of fine institutions of higher learning where students from many countries receive their education.

6. *Israel—Still the Sanctuary*.—In the 15 years of its existence Israel has welcomed to its shores and given new life to over one million immigrant Jews in need of a home. More than half of those have come from Arab countries, with most of the others immigrating from Europe. Upon arrival they have ceased to be refugees; every effort is made to absorb them as quickly as possible into the life of the country. This constitutes one of the most remarkable and laudable chapters in all of Jewish history.

Israel has thus, with the help of world Jewry, truly lived up to the role envisioned for it by Herzlian Zionism in offering sanctuary to the displaced and new life with renewed hope to the dispossessed. But this task is not yet finished; it is still going on and will continue for some time to come. The next few years will see the arrival of hundreds of thousands of Jews who, for a variety of reasons, will seek their future in Israel, and that country, in fulfillment of Zionism's historic mission, will strive to absorb them. It becomes incumbent upon us, therefore, to give all-out support to the UJA and the Israel Bond Drive, the two major instrumentalities which can help Israel achieve this goal.

DRAFT PROCLAMATION FOR ISRAEL INDEPENDENCE DAY OR WEEK 1963

Whereas on April 29, 1963, the State of Israel will observe the Fifteenth Anniversary of its establishment; and

Whereas this small State has proved itself to be a staunch ally of the free world, with its institutions and way of life firmly grounded on democratic principles; and

Whereas the country has opened wide its doors to the people of many lands, giving them the opportunity for new life in the Land of their Forefathers; and

Whereas the State of Israel has through perseverance and arduous effort strengthened and expanded its economic and

Whereas the State has shared the benefits of its experience and knowledge by extending cooperation and friendship to states in Asia and Africa which have newly emerged into independence; and

Whereas in fifteen years the State of Israel has created a spiritual and cultural center whose influence already has been felt in other countries of the world; and

Whereas a common bond of values, ideals and aims exist between Israel and the United States,

Now, therefore, I (Governor of the State of —) (Mayor of the City of —) do hereby proclaim the (week beginning Sunday, April 28) (day of Monday, April 29) as Israel's Fifteenth Anniversary Week (Day), and bid all my fellow citizens join in this historic celebration.

SUGGESTED EDITORIAL ON OCCASION OF ISRAEL'S 15TH ANNIVERSARY—APRIL 29

ISRAEL AFTER FIFTEEN YEARS

In the fifteen years since the tiny State of Israel was born, in May 1948, its progress has been phenomenal. The population jump from 650,000 to 2.3 million is only the statistical side of the heartwarming story of more than one million human beings to whom the country has meant haven of refuge and beacon of hope. The opening of vast areas of Israel's arid Negev to settlement has helped to absorb these newcomers.

Entirely dependent at first for its food and other needs on imports, this past year Israel exported \$277 million worth of products. This is the result of Israel's amazing agricultural and industrial development.

In the field of social welfare, its network of agencies, with cradle-to-grave protection, can serve as a model for the most progressive democracy. The tropical diseases which riddle the area have been practically eliminated in Israel, where government and voluntary agencies cooperate closely to give the country one of the world's lowest mortality rates. Education has priority in Israel, which is unique in the Middle East for its compulsory primary education. Students from many underdeveloped areas join Israelis in study at local institutions of higher education. Its progress in scientific research, which has been considerable, is generously shared with new Afro-Asian states. The interest and support given by Israelis to cultural activities is proportionately far greater than that of many countries with much larger populations.

Israel is not without its serious problems which threaten the very security of the State. But progress made in these past fifteen years, the sights and goals set for the future and the courage and determination of its people have earned for this little country the highest admiration and tribute. On this Fifteenth Anniversary we extend to Israel our most fervent wishes for the peace, prosperity and blessings it so fully deserves.

The CHAIRMAN. The purpose here is to insert them as activities undertaken by the Council at a time when a major proportion of its funds were coming from Jewish Agency-American Section?

Mr. HAMLIN. Yes, sir.

MEMORANDUM DATED DECEMBER 27, 1962 AND PAYMENT ORDER

The CHAIRMAN. I show you one final memorandum and payment order dated December 27, 1962. The payment order is to the American Zionist Council in the amount of \$13,000 from the American Section. The memorandum is from Dr. I. Moyal to Miss Fannie Speiser with respect to the same payment.

Do copies of these documents appear in your files?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. They will appear in the record.
(The document referred to follows:)

מכתב תשלום - מ'ת"ת ה'תש"ב
THE JEWISH AGENCY-AMERICAN SECTION, INC.


MEMORANDUM December 27, 1962

TO: Miss Fannie Speiser

FROM: Dr. I. Moyal

SUBJECT:

Please issue a check to the order of the A.Z.C. for the sum of \$13,000 consisting of: Weekly payment of \$3,000.00 as per agreement, and \$5,000.00 on account of the new \$50,000.00 allocation. This will bring the total amount paid on account of the new allocation to \$12,000.00.



THE JEWISH AGENCY - AMERICAN SECTION, INC.
 NEW YORK, N. Y. 10022, N.Y. 10022
 19 62 N.Y. A 816

PAY TO THE ORDER OF
 AMERICAN ZIONIST COUNCIL

NOT NEGOTIABLE

13,000.00

13,000.00

8,000.00
 5,000.00

13,000.00

NOT NEGOTIABLE

13,000.00

8,000.00
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13,000.00

LETTER TO DR. NAHUM GOLDMANN

The CHAIRMAN. I show you a copy of a letter dated February 5, 1963, addressed to Dr. Nahum Goldmann and signed Isadore Hamlin, and ask if you wrote and sent this letter?

Mr. HAMLIN. Yes, sir, I wrote this letter.

(Copy of the letter is as follows:)

FEBRUARY 5, 1963.

DR. NAHUM GOLDMANN,
 World Jewish Congress,
 Geneva, Switzerland.

DEAR DR. GOLDMANN [Deleted.]

While I am writing, I thought I should advise you that both the U.I.A. and the J.D.C. agreed to renew the J.T.A. allocation through the New York U.J.A. for the forthcoming year. Secondly, Lipsky accepted our second offer of \$5,000 as his retainer.

You surely received the copy of my letter to Moshe Sharett about the Council situation. We have taken over the departments and you can imagine that we have quite a number of matters to straighten out. In the meantime, the Council has so far found no solution to its remaining problem.

With best regards,
 Sincerely yours,

ISADORE HAMLIN, *Executive Director.*

The CHAIRMAN. Would you identify Dr. Goldmann?

Mr. HAMLIN. Dr. Nahum Goldmann is the president of our organization, sir. He is also the president of the World Jewish Congress.

The CHAIRMAN. President of the American—

Mr. HAMLIN. He is the president of the World Zionist Organization and, simultaneously, of the World Jewish Congress.

Mr. BOUKSTEIN. Which is an unrelated organization.

Mr. HAMLIN. Unrelated organization.

The CHAIRMAN. Well, let me go back. You say "ours." You are referring to the Jewish Agency-American Section?

Mr. HAMLIN. No. I see the—

The CHAIRMAN. You said "ours."

Mr. HAMLIN. I refer here to the Jewish Agency-Executive.

The CHAIRMAN. Oh. In Jerusalem?

Mr. HAMLIN. Jerusalem and New York, combined body.

The CHAIRMAN. He is president of that, and he is also president of the World Jewish Congress?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. But he lives in Switzerland?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. Is that the head of the World Jewish Congress? Is that the seat?

Mr. HAMLIN. Its headquarters is in Geneva, Switzerland.

Mr. BOUKSTEIN. Mr. Chairman, I would like to correct the record. Dr. Goldmann does not live in Switzerland. Dr. Goldmann resides in the city of New York. Dr. Goldmann is the president of the World Zionist Organization, the highest ranking man in the Zionist movement, but, quite independently of that, he is the head of an organization which is not part of the Zionist movement, known as the World Jewish Congress.

The CHAIRMAN. Is this letter, in effect, from you to your superior?

Mr. HAMLIN. Yes, sir; it is.

IDENTIFICATION OF MOSHE SHARETT AND "COUNCIL SITUATION"

The CHAIRMAN. The last paragraph reads:

You surely received the copy of my letter to Moshe Sharett about the Council situation. We have taken over the departments and you can imagine that we have quite a number of matters to straighten out. In the meantime, the Council has so far found no solution to its remaining problem.

Would you identify for the record Moshe Sharett?

Mr. HAMLIN. Mr. Moshe Sharett is the chairman of the Jewish Agency-Executive.

The CHAIRMAN. In Jerusalem?

Mr. HAMLIN. Yes.

The CHAIRMAN. Chairman?

Mr. HAMLIN. Chairman of the worldwide body, actually, formally.

The CHAIRMAN. And what is the "Council situation" referred to in this letter?

Mr. HAMLIN. The "Council situation" referred to in this letter is that as of January 22, 1963, the Council resolved not to take any more funds from the Jewish Agency-American Section. The Council then turned to the Jewish Agency-American Section, and asked us to take over certain cultural departments that they have been conducting up to that date.

The CHAIRMAN. The "Council" referred to is the American Zionist Council?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. Do you have a copy of your letter to Mr. Sharett?

Mr. HAMLIN. I do not have it with me.

The CHAIRMAN. Could you supply a copy of that letter?

Mr. HAMLIN. Yes, sir.

(See appendix 2, p. 1420, item 12.)

Mr. BOUKSTEIN. Mr. Chairman, I would like to say that I would like to examine that letter to see if it is pertinent to the inquiry, and if it is remotely pertinent, it will be made available.

The CHAIRMAN. Well, if it concerns the activities of the American Zionist Council, I do not know how it could fail to be pertinent.

Mr. BOUKSTEIN. Maybe.

AZC DEPARTMENT OF INFORMATION AND PUBLIC RELATIONS

The CHAIRMAN. When you say "we have taken over the departments," has that already been done?

Mr. HAMLIN. Yes.

The CHAIRMAN. Then, in effect, you have taken over the Zionist Council Department of Information and Public Relations?

Mr. HAMLIN. No, sir; not that department. That department, we did not take over.

The CHAIRMAN. Why not?

Mr. HAMLIN. The council asked us to take over the Department of Education and Culture, the Department of Torah Education and Culture, the Youth Department, and the Herzl Institute. They did not ask us to take over the Department of Information.

The CHAIRMAN. And public relations?

Mr. HAMLIN. Pardon?

The CHAIRMAN. They did not ask you to take over Information and Public Relations?

Mr. HAMLIN. That is right, they did not.

The CHAIRMAN. Is that the remaining problem for which they have found no solution?

Mr. HAMLIN. No. I believe what I was referring here to is the question of their fund raising.

The CHAIRMAN. For this purpose?

Mr. HAMLIN. For their own purposes, that is right.

The CHAIRMAN. Information and public relations?

Mr. HAMLIN. That is right.

The CHAIRMAN. Well, that is what—what would be your reason not to take that over if you are going to take over the other? Is that not as legitimate an activity as—

Mr. HAMLIN. Well, it is, yes.

The CHAIRMAN. Why did you not wish to take it over?

Mr. HAMLIN. It is a legitimate activity, of course, but the leaders of the American Zionist Council, representative of all the American Zionist organizations, felt that they would like to retain a Council for this activity. They felt that this was the logical activity for them as American organizations to conduct, and they are very much interested.

The CHAIRMAN. Even though they have no money for it?

Mr. BOUKSTEIN. I would like to remind Mr. Hamlin, Mr. Chairman, that a movement of the hands is not recorded.

The CHAIRMAN. Tell me why in January of this year did they resolve not to take money from the Jewish Agency?

Mr. HAMLIN. In January of this year, they resolved not to take money from the Jewish Agency because a problem of their registrability under the Foreign Agent's Registration Act arose, and they were advised by their attorneys to take this action, I believe.

The CHAIRMAN. By which attorney, the present attorney?

Mr. HAMLIN. No, sir, their attorney—not Mr. Boukstein in this case.

Mr. BOUKSTEIN. Mr. Chairman, I would like to state, I have been counsel to so many groups, but I am not counsel to the American Zionist Council.

The CHAIRMAN. Their attorneys advised them to no longer accept payments from the American Section?

Mr. HAMLIN. I so believe.

Mr. BOUKSTEIN. Would you not think, Mr. Chairman, really, it would be proper for their counsel to say why it decided—why it did not decide to take money? We did not make that decision. They made the decision.

The CHAIRMAN. But I am quite sure you are aware of why. You followed this very closely, I know, from what you have already testified. You do not have to testify to it, but it is quite obvious why, is it not? Is it not obvious to you, Mr. Hamlin?

Mr. HAMLIN. Yes, sir; it is, indeed.

GRANTS TO JTA

The CHAIRMAN. Mr. Hamlin, you are acquainted with an organization known as the Jewish Telegraphic Agency?

Mr. HAMLIN. I am, sir.

The CHAIRMAN. What is the relation of the Jewish Telegraphic Agency to the American Section subsequent to April 1, 1960?

Mr. HAMLIN. April 1, 1960?

The CHAIRMAN. That is the reorganization period.

Mr. HAMLIN. We made money grants to the Jewish Telegraphic Agency.

The CHAIRMAN. Are you still making money grants?

Mr. HAMLIN. No, we are not.

The CHAIRMAN. When did you discontinue?

Mr. HAMLIN. They are no longer on our budget for the current fiscal year, 1963 to 1964.

The CHAIRMAN. When was this action taken?

Mr. HAMLIN. This action was taken in the fall, I believe.

The CHAIRMAN. Last fall?

Mr. HAMLIN. Yes. When we framed our budget.

The CHAIRMAN. When was the last payment to the Jewish Telegraphic Agency?

Mr. HAMLIN. I believe the last payment made to the Jewish Telegraphic Agency—to be most accurate, I would have to check this—was in February or March.

The CHAIRMAN. Of this year?

Mr. HAMLIN. Of this year.

The CHAIRMAN. 1963.

IDENTIFICATION OF MR. ELEAZAR LIPSKY

I show you a letter dated May 27, 1960, addressed to Mr. Eleazar Lipsky and signed Isadore Hamlin and ask you if you wrote and sent this letter?

Mr. HAMLIN. Yes, sir; I did write this letter.

(Copy of the letter is as follows:)

MAY 27, 1960.

Mr. ELEAZAR LIPSKY,
New York City, N.Y.

DEAR Mr. LIPSKY: In pursuance of the conversations conducted by yourself with members of our Executive, I am happy to be able to advise you that the Jewish Agency would welcome your acceptance of the post of President of the Jewish Telegraphic Agency in place of Mr. Louis Rocker who has tendered his resignation from that post.

We expect that you will use your best efforts to expand the Board of Directors so that JTA may stand as an independent newsgathering agency which will eventually be able to obtain its own financing. We understand that you will seek the support of outstanding representative community leaders of all shades of opinion to ensure the support of the entire Jewish community.

The Jewish Agency intends to divest itself, eventually, of the ownership of JTA shares and to cancel the outstanding indebtedness of the JTA to the Jewish Agency, as soon as may be practicable. The Jewish Agency will continue to render financial assistance as heretofore until the above transfer of financial responsibility can be made effective.

Wishing you success in this important communal undertaking and thanking you for assuming this high responsibility, I am,

Sincerely yours,

ISADORE HAMLIN,
Administrative Director.

The CHAIRMAN. Who is Mr. Lipsky?

Mr. HAMLIN. He is a New York attorney and writer.

The CHAIRMAN. Any connection with the Telegraphic Agency?

Mr. HAMLIN. Up to that point, he had no connection with them, I believe.

The CHAIRMAN. Well, did he have any with your Agency?

Mr. HAMLIN. Well, he is a well-known Zionist. Mr. Lipsky is a well-known Zionist.

The CHAIRMAN. Does he have any official connection with the American Section?

Mr. HAMLIN. No, sir; he has no official connection, but he is a member of a Zionist group. No official connection with the American Section.

The CHAIRMAN. Nor any official connection with the Jewish Telegraphic Agency?

Mr. HAMLIN. That is right, sir.

(See appendix 2, item 19, p. 1424.)

FINANCIAL RESPONSIBILITY FOR JTA

The CHAIRMAN. The next-to-the-last paragraph reads, as follows:

The Jewish Agency intends to divest itself eventually of the ownership of JTA shares and cancel the outstanding indebtedness of the JTA to the Jewish Agency as soon as may be practical. The Jewish Agency will continue to render financial assistance as heretofore until the above transfer of financial responsibility can be made effective.

What proportion, if any, of the outstanding shares of Jewish Telegraphic Agency did the Jewish Agency—American Section own?

Mr. HAMLIN. The Jewish Agency—American Section owns all the shares of the JTA.

The CHAIRMAN. What proportion of the outstanding shares of the Jewish Telegraphic News Agency, Inc., did the Jewish Agency—American Section, own?

Mr. HAMLIN. The Jewish Agency owns, if I may correct myself, the Jewish Agency owns all the shares of the JTNA, which, in turn, owns the JTA.

The CHAIRMAN. Did the Jewish Agency—American Section render financial assistance to the Telegraphic Agency after April 1, 1960, as contemplated by your letter?

Mr. HAMLIN. It did, sir.

The CHAIRMAN. Can you supply the committee with a detailed accounting of all payments made by your Agency to the Telegraphic Agency from April 1, 1960, to the present day?

Mr. HAMLIN. I can, sir.

(See appendix 2, p. 1421, item 13.)

REPORTING PAYMENTS TO THE JTA

The CHAIRMAN. Did you report all these payments on your registration statement filed with the Department of Justice?

Mr. HAMLIN. Yes, sir; we did.

The CHAIRMAN. Did you report them as payments to the JTA?

Mr. HAMLIN. Here we must refer to these documents again to be most accurate.

Mr. BOUKSTEIN. What particular period are you referring to, sir?
The CHAIRMAN. April 1, 1960, to the present.

Mr. BOUKSTEIN. They are in 6-month periods.

Mr. HAMLIN. Sir, even without referring here to these documents for the details, I can tell you that for—up until about March of 1961, the details in our statements to the Justice Department did not indicate the recipients, the names of the recipients. They were bunched together under "Grants and subventions."

Subsequent to that date, we submitted to the Justice Department detailed information naming all those organizations which received funds from us. Included from that date on was, of course, the Jewish Telegraphic Agency, all the grants made to the Jewish Telegraphic Agency.

The CHAIRMAN. Itemized under that name?

Mr. HAMLIN. Yes, sir.

Mr. BOUKSTEIN. May I suggest, Mr. Chairman, that the witness be given an opportunity to refresh his recollection, because I am sure he intends to tell the truth, but he may be technically making an error, and I would like to make sure that he does not mislead you in any way.

The CHAIRMAN. Yes, indeed.

QUESTION OF \$60,000 PAYMENT TO JTA

I show you a copy of a memorandum dated August 1, 1960, addressed to Rose L. Halprin, from Isadore Hamlin, and ask if you wrote and sent this memorandum? The memo is short. I will read it:

I have examined the budget book of the World Zionist Organization for the year April 1, 1960, to March 31, 1961, which just arrived from Jerusalem. (A set is being passed to you.)

I do not find an identifiable item for JTA in that budget. This means that as far as we know the only budgetary provision is the \$60,000 item included in the budget of the Jewish Agency for Israel, Inc.

The "Jewish Agency for Israel, Inc.," referred to is not your Agency, is it?

Mr. HAMLIN. No, sir, it is not.

(Copy of the memorandum is as follows:)

THE JEWISH AGENCY—AMERICAN SECTION, INC.,
August 1, 1960.

MEMORANDUM

To: Rose L. Halprin.
From: Isadore Hamlin.
Subject: JTA budget.

I have examined the budget book of the WZO for the year April 1, 1960, to March 31, 1961, which just arrived from Jerusalem. (A set is being passed to you).

I do not find an identifiable item for JTA in that budget. This means that as far as we know the only budgetary provision is the \$60,000 item included in the budget of the Jewish Agency for Israel, Inc.

(Dictated but not read.)

The CHAIRMAN. It is not.

Well, did your Agency make a payment of \$60,000 to the JTA in that year?

Mr. HAMLIN. I am going to have to look this up to be absolutely accurate.

The CHAIRMAN. Well, you look it up and supply that for the record.
Mr. HAMLIN. Yes, sir.
(See appendix 2, p. 1422, item 14.)

MEMOS PERTAINING TO THE FINANCIAL OBLIGATIONS TO JTA

The CHAIRMAN. I show you two memorandums together—they are both dated on October 10, 1960—and the first to Dr. Nahum Goldmann from Isadore Hamlin; the second, a proposed memorandum to Dr. Dov Joseph from Nahum Goldmann, and ask if you wrote both of these memorandums?

Mr. HAMLIN. Yes, sir.

(Copies of the memos are as follows:)

OCTOBER 10, 1960.

Dr. Nahum Goldmann.
Isadore Hamlin.
J.T.A.

I am not sure whether I understand correctly that you discussed with Dr. Joseph the financial obligation regarding JTA. If you did not, you have to make it quite clear to him that we must begin paying at once to JTA at the rate of \$2,000 per week minimum. May I suggest that you send him a memorandum to this effect so that there will be no question about it? I attach a proposed text for your consideration.

OCTOBER 10, 1960.

To: Dr. Dov Joseph.
From: Nahum Goldmann.
Subject: J.T.A.

At today's meeting of the Executive, we reviewed the situation of JTA. Hammer advised us that the "21" have exhausted their budgetary allocation for JTA for this year. Therefore, JTA will have to continue to be the financial responsibility of our Executive until the negotiations with the communities, which are going well, will begin to bear fruit.

In the meantime, we will have to turn over to JTA \$70,000 by the end of the budgetary year. We must immediately give to JTA a minimum of \$2,000 per week.

The Treasury in Jerusalem was informed of this situation about two weeks ago.

The CHAIRMAN. Dr. Goldmann, you have already identified. Who is Dr. Dov Joseph?

Mr. HAMLIN. He was the then treasurer of the Jewish Agency—Jerusalem.

The CHAIRMAN. These memorandums are short. I will read them.
The first one:

I am not sure whether I understand correctly that you discussed with Dr. Joseph the financial obligation regarding JTA. If you did not, you have to make it quite clear to him that we must begin paying at once to JTA at the rate of \$2,000 per week minimum. May I suggest that you send him a memorandum to this effect so that there will be no question about it? I attach a proposed text for your consideration.

And the second memorandum reads:

At today's meeting of the Executive, we reviewed the situation of JTA. Hammer advised us that the "21"—

Mr. HAMLIN. I do not have a copy of that. Forgive me for interrupting.

The CHAIRMAN (continuing) :

Hammer advised us that the "21" have exhausted their budgetary allocation for JTA for this year. Therefore, JTA will have to continue to be the financial responsibility of our Executive until the negotiations with the communities, which are doing well, will begin to bear fruit.

In the meantime, we will have to turn over to JTA \$70,000 by the end of the budgetary year. We must immediately give to JTA a minimum of \$2,000 per week.

The Treasury in Jerusalem was informed of this situation about two months ago.

Do you know whether the payments contemplated by these memos actually were made?

Mr. HAMLIN. Yes, sir, they were.

PAYMENTS TO JTA RECORDED AS LOANS

The CHAIRMAN. I show you a memorandum dated October 12, 1960, addressed to Fannie Speiser from Isadore Hamlin and ask if you wrote and sent this memorandum?

Mr. HAMLIN. Yes, sir.

(Copy of the document referred to follows:)

OCTOBER 12, 1960.

Fannie Speiser.
Isadore Hamlin.
Payments to JTA.

As you know the Jewish Agency—American Section will now make payments to JTA formally made by the Jewish Agency for Israel, Inc. These payments are to be recorded the same way as was recorded by the Inc., i.e. loans.

Dr. Goldmann sent a memo to Dr. Joseph saying that we must remit at once these weekly payments. The budgetary item is \$75,000 to the end of this fiscal year.

Please issue a check of \$2,500 per week for the next 4 weeks. Thereafter issue \$2,000 per week unless you hear from me to raise it, and I will indicate how much it is to be raised.

Your first check of \$2,500 should go to them the week of October 17th.

The CHAIRMAN. I will read it. (Chairman reads:)

I note the second sentence:

These payments are to be recorded the same way as was recorded by the INC., i.e., loans.

Why was that? Why were they recorded as loans?

Mr. HAMLIN. Well, when we took responsibility for the JTA, it had always been our hope that this news agency would—the financial responsibility for it would be taken over by the Jewish Community Welfare Funds in the United States, and so we perhaps naively recorded them as loans with the hope of someday recouping that money.

The CHAIRMAN. Do they bear interest?

Mr. HAMLIN. These loans? No, sir.

The CHAIRMAN. Were they ever repaid?

Mr. HAMLIN. No, sir, they were not.

The CHAIRMAN. And this memo was subsequent to the one in which you expressed the intention of the American Section to sever connections with the JTA and forgive all loans, is that correct, subsequent to the one which we read about?

Mr. HAMLIN. I regret—

The CHAIRMAN. You expressed the intention of the American Section to sever connections with JTA and forgive all loans?

Mr. HAMLIN. Yes.

The CHAIRMAN. Did you report these payments on your registration statement filed with Justice?

Mr. HAMLIN. Again, I would have to check the dates, the history of our submissions to the Justice Department, to give you an exact answer.

The CHAIRMAN. Yes. We will be glad for you to do that.

Mr. HAMLIN. Thank you.

(See appendix 2, p. 1422, item 15.)

QUESTIONS CONCERNING EXPENDITURES BASED ON ACCOUNTANT'S REPORT
OF FISCAL YEAR ENDING MARCH 31, 1961

The CHAIRMAN. I show you a report dated July 17, 1961, made to the Jewish Agency—American Section, Inc., by Green Strocker & Co., certified public accountants, for the fiscal year ended March 31, 1961, and ask if a copy of this report appears in your files?

Mr. HAMLIN. Yes, sir, it does.

The CHAIRMAN. The page marked "Exhibit A: Statement of Assets and Liabilities," carries under assets, "investment in Jewish Telegraphic Agency, Inc., \$300."

Is that the stock in the Jewish Telegraphic News Agency, Inc., referred to earlier, or is that stock in the Jewish Telegraphic Agency, Inc.?

Mr. HAMLIN. That is the value of the shares of the Jewish Telegraphic News Agency.

(A copy of the document is as follows:)

EXHIBIT A

THE JEWISH AGENCY-AMERICAN SECTION, INC.

Statement of assets and liabilities, March 31, 1961

ASSETS

Cash in banks and on hand (Schedule A-1)-----	\$149,494.87
Cash reserved for severance-----	10,000.00
Investment in Jewish Telegraphic Agency, Inc.-----	300.00
Furniture, fixtures, and automobile-----	5,604.59
Exchanges and deposits receivable (Schedule A-2)-----	203,403.15
	<hr/>

Inventories (as submitted):	
Stationery and supplies-----	2,000.00
Books and publications-----	2,000.00
	<hr/>

Total Inventories----- 4,000.00

Total Assets----- 372,802.61

LIABILITIES AND RESERVE

Vouchers payable-----	31,721.82
Accrued budgetary expenses-----	36,000.00
Taxes payable-----	7,636.16
Exchanges payable (Schedule A-3)-----	101,032.49
Reserve for severance-----	16,931.28
	<hr/>

Total Liabilities and Reserve----- 193,321.75

Excess of Assets Over Liabilities (Exhibit C)----- 179,480.86

BUDGETARY EXPENSES

The CHAIRMAN. News Agency.

The page marked "Schedule B-2: Budgetary Expenses, Year Ended March 31, 1961," carries an item, "Jewish Telegraphic Agency, Inc., \$66,500." Is that correct?

Mr. HAMLIN. Yes, sir.

(A copy of the document is as follows:)

GREEN, STROCKER & Co.
SCHEDULE B-2

THE JEWISH AGENCY-AMERICAN SECTION, INC.

Budgetary expenses, year ended Mar. 31, 1961

	Schedule Number	Authorized Budget for Year	Expenditures
Administration in New York.....	B-2-a.....	\$151,500.00	\$152,875.30
Executive.....	B-2-b.....	75,824.00	66,608.74
President's office.....	B-2-c.....	12,000.00	8,031.63
Grants.....	B-2-d.....	30,000.00	30,000.00
President's conference.....	B-2-e.....	17,500.00	13,037.27
Latin-American Department.....	B-2-f.....	40,815.00	38,452.49
Keren Hayesod subventions.....	B-2-g.....	61,641.48	61,641.48
Public relations and special projects.....	B-2-h.....	174,223.00	108,659.58
Building.....		65,000.00	74,925.58
Israel Students.....	B-2-i.....	10,000.00	10,000.00
Jewish Telegraphic Agency, Inc.....		66,500.00	66,500.00
Press officer.....	B-2-j.....	6,000.00	5,829.66
Severance.....			16,931.28
Reserve.....		13,711.00	
Totals.....		727,714.48	653,493.01

The CHAIRMAN. Was that the total amount of payments made to the Telegraphic Agency that fiscal year, including payments carried as loans?

Mr. HAMLIN. Yes.

The CHAIRMAN. On that same page there is an item marked "Public Relations and Special Projects," with actual expenditures of \$10,659.58. Could you supply the committee with an itemized breakdown of those expenditures, including the names of those to whom funds were paid, the purpose of the payment, the date of the payment, and the amount of the payment?

Mr. HAMLIN. Yes, sir; I could.

EXPLANATION OF EXPENDITURES

Mr. BOUKSTEIN. There is a schedule, Mr. Chairman, which may give the information.

Mr. HAMLIN. Would you like to have that in writing? I will be glad to. There is a schedule there, B-2-H.

The CHAIRMAN. Is it itemized?

(A copy of the document is as follows:)

SCHEDULE B-2-h

THE JEWISH AGENCY—AMERICAN SECTION, INC.

Public relations and special projects, year ended Mar. 31, 1961

	Authorized budget for year	Amounts paid	Amounts accrued	Total expenditures
Joint program:				
Speakers.....	\$32,000.00			
Films, students, visitors.....	48,000.00	\$48,000.00		\$48,000.00
Grants.....	83,000.00	27,000.00	\$25,000.00	52,000.00
Publicity.....	7,223.00	5,457.34		5,457.34
Miscellaneous.....	4,000.00	1,202.24	2,000.00	3,202.24
Totals.....	174,223.00	81,659.58	27,000.00	108,659.58

GREEN, STROCKER & Co.

Mr. BOUKSTEIN. I do not remember. I would like to look at it.

Mr. HAMLIN. Would you like me to explain it now?

The CHAIRMAN. Yes.

Mr. HAMLIN. The amount actually paid out during that year was \$81,659.58.

The second column. Of that amount, \$48,000 was paid over to the Israel Office of Information under a heading called the "Joint Program"; \$27,000 was paid out to the Middle East Affairs, that is, the Council for Middle Eastern Affairs, via the American Zionist Council, and then there are two small items, \$5,457 for publicity and \$1,202 under miscellaneous.

The CHAIRMAN. What is the Israel Office of Information?

Mr. HAMLIN. That is a section of the Consulate General of Israel in New York.

The CHAIRMAN. And what is their function?

Mr. HAMLIN. They conduct—the Israel Office of Information conducts public information activities on behalf of the Consulate General.

The CHAIRMAN. Well, is your agency, the American section, does it have a joint project with this office?

Mr. HAMLIN. Yes, sir; we do.

REQUEST FOR ADDITIONAL INFORMATION

The CHAIRMAN. Turn to schedule B-3-n, which is titled "Miscellaneous," for year ending March 31, 1961. Page 2 of that particular schedule has, under March 1961, "Treasury—State of Israel, Transferred to Special Public Relations—(\$20,000.)". Do you know what that is?

Mr. HAMLIN. I beg your pardon, B-3—

The CHAIRMAN. B-3-n.

(Copy of document is in the Committee files.)

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. Would you explain that item of \$20,000?

Mr. HAMLIN. I would like to be given an opportunity to check that and inform you.

The CHAIRMAN. All right.

(See appendix 2, p. 1422, item 16.)

Mr. HAMLIN. Why it was handled that way, whatever it means?

The CHAIRMAN. You could give us an accounting of what that means. You could give us an accounting?

Mr. HAMLIN. Yes; certainly.

Mr. BOUKSTEIN. Mr. Chairman, I would like to be helpful to you if I can. Generally speaking, when financial statements are submitted to the SEC or any financial records, when it is done in parenthesis, it does not mean an expenditure. It means the opposite.

The CHAIRMAN. It means receipt?

PARTICIPATION OF GOVERNMENT IN THE GENERAL PROGRAM

Mr. BOUKSTEIN. This would mean—no, this is probably—and this is subject to confirmation, as Mr. Hamlin promised to give you the information—this is probably the participation of the Government in this general program.

The CHAIRMAN. I see. Well, did your Agency receive other funds for similar purposes from the Israeli Government?

Mr. HAMLIN. No, sir. We did not receive any funds in New York from any agency of the Israeli Government except the Israel Office of Information.

The CHAIRMAN. Other than this \$20,000?

Mr. HAMLIN. That is right.

The CHAIRMAN. Was that received annually or quarterly or—

Mr. HAMLIN. Sir, if I may, I would like to have the record absolutely clear here. We had a number of relationships with the Israel Office of Information, a number of projects here involved, some of which we had to pay the Israel consulate, the Israel Office of Information, and some, which they had to pay us.

To give you an example of that, one of our publications is the Israel Digest, which is a fortnightly of news and events that take place in Israel. The Israel Office of Information has bought from us a certain number of subscriptions of the Israel Digest and pays us for those subscriptions.

There is another project that might be of interest to you. There is in the United States an organization known as the Israel Students Organization. This is students from Israel who come here to study in our universities. And unfortunately, a lot of these students were destitute, had very difficult times getting settled and getting into their studies, and the Israel Students Organization attempts to meet that problem.

In that case we charged the consulate for excess sums we had paid for the administration of the Israel Students Organization which happens to be domiciled in our quarters.

There is another example. There are three or four such examples of various different accounts with the Israel consulate which had to be reconciled and brought into order. That is why we have to look into this item to be able to give you more accurate information.

The CHAIRMAN. All right.

PAYMENTS CONTEMPLATED FOR JTA, JUNE 1961

I show you a copy of a memorandum dated June 1, 1961, addressed to Miss Fannie Speiser from Isadore Hamlin and ask you if you wrote and sent this memo?

Mr. HAMLIN. Yes, sir; I did write this memo.

(A copy of the memo is as follows:)

JUNE 1, 1961.

Miss Fannie Speiser, Bookkeeping Department.
Isadore Hamlin.
JTA.

Mr. Lipsky and I met with Dr. Goldmann this morning regarding the current situation of JTA.

It was decided that for the next two weeks, JTA will receive \$3,000 per week followed thereafter by \$2,500 per week. We will reraise the entire question again the end of July.

Please carry out this decision.

The CHAIRMAN. It reads as follows. (Chairman reads.)

Were these payments made as contemplated by this memorandum?

Mr. HAMLIN. To the best of my knowledge they were, yes.

The CHAIRMAN. Who was Mr. Lipsky at that time?

Mr. HAMLIN. At that date, Mr. Lipsky had already taken over the presidency of the JTA at our request.

LETTER TO MR. LIPSKY FROM MR. HAMLIN

The CHAIRMAN. I show you a copy of a letter dated May 15, 1961, addressed to Mr. Eleazar Lipsky, and signed Isadore Hamlin, and ask if you wrote and sent this letter?

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

(A copy of the letter is as follows:)

MAY 15, 1961.

Mr. ELEAZAR LIPSKY,
New York, N.Y.

DEAR ELEAZAR: I would like to set down for the record that as of this date the balance of the Jewish Agency's allocation to JTA stands at \$45,000.

JTA, of course, should make its plans accordingly for, as you and Vic Bienstock were advised, there will be no opportunity for revision of this allocation upward.

With kind regards,
Sincerely yours,

The CHAIRMAN. It reads. (Chairman reads.)

This Jewish Agency, is this your organization?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. And who is Mr. Victor Bienstock?

Mr. HAMLIN. He is the general manager of the Jewish Telegraphic Agency.

The CHAIRMAN. He is under Mr. Lipsky?

Mr. HAMLIN. That is right, sir.

1376 ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S.

TOTAL PAYMENTS TO JEWISH TELEGRAPHIC AGENCY AND ITEMIZATION IN REPORTS TO JUSTICE

The CHAIRMAN. It is our information, based on the records viewed by the committee's accountant at your offices between April 6, 1961, and September 29, 1961, the Jewish Agency-American Section made 26 separate payments to the Jewish Telegraphic Agency totaling \$58,000.

Is that correct, in your opinion?

Mr. HAMLIN. Would you please ask me that again?

The CHAIRMAN. Between April 6, 1961, and September 29, 1961, the Jewish Agency-American Section, made 26 separate payments to the Jewish Telegraphic Agency totaling \$58,000?

Mr. HAMLIN. And that appears in our registration statement?

The CHAIRMAN. Well, that appears in your office accounts. I was going to ask you about the registration.

Mr. HAMLIN. That is probably right.

The CHAIRMAN. Probably. Then I show you a copy of an amendment filed October 5, 1962, to your registration statement for the 6 months ending September 30, 1961, and ask you if the payments to the Jewish Telegraphic Agency were included among the expenditures listed for the Jewish Agency-American Section?

I will just say for the record that the original filing—I mean for the 6-month period ending September 30, 1961, and the amendment of October 5, 1962—did not carry any itemization of this account at all.

Mr. HAMLIN. Sir, what you say is borne out by my reading it.

The CHAIRMAN. Yes.

(A copy of the statement is as follows:)

ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S. 1377

Budget Bureau No. 43-9226-3
Revel Expires January 31, 1963

(File two complete copies)

FILED
OCT 5 1962
Registration Section
U.S. DEPARTMENT OF JUSTICE

UNITED STATES DEPARTMENT OF JUSTICE

WASHINGTON, D. C.

Form FA-11

REGISTRATION No. 205

AMENDMENT

TO SUPPLEMENTAL REGISTRATION [] EXEMPTION [x] STATEMENT
(Indicate which)

NUMBER 208 FILED November 30, 1961

For 6 month period ending September 30, 1961

Pursuant to the Foreign Agents
Registration Act of 1938 as Amended

Name of registrant (or agent) American Section of the Jewish Agency for Israel

Name of foreign principal The Jewish Agency for Israel, Jerusalem, Israel

The answers to the items of the above-mentioned statement listed below are hereby amended to read as follows:

(Insert proper item numbers)

Item No. 10-C

GRANTS AND SUBVENTIONS - EDUCATIONAL AND CULTURAL
ACTIVITIES \$96,929.62

(See Schedule "A" attached)

Item No. 10-C

PAYMENTS TO AFFILIATED ORGANIZATIONS \$230,958.55

(See Schedule "B" attached)

Item No. 10-C

ADVANCES AND MAINTENANCE \$99,442.33

Reimbursement to approximately thirty young Israelis delegated as lecturers and instructors to Jewish youth groups in the United States. These instructors assist the youth movements in carrying out their educational programs, especially with regard to the study of Hebrew, Jewish culture, history and folklore and Jewish life in Israel. These payments cover maintenance for rent, food, fares and other necessary living expenses during their temporary stay in the United States.

Item No. 10-C

MISCELLANEOUS ADVANCES, DEPOSITS AND TRANSFERS \$56,274.21

Numerous expenditures made on specific authorization of the Jewish Agency for Israel, Jerusalem, Israel. Included are:

- a) purchases of supplies for various Jewish Agency departments.
- b) travel of Israeli personnel chargeable to Jewish Agency for Israel, Jerusalem
- c) travel expenses of immigrants from countries in the Western Hemisphere
- d) forwarding of immigrants' effect, etc.

Item No. 11-C

XXXXXXXXXXXXXXXXXX

(If additional items are to be amended, insert additional pages as needed)

Exhibits.--The following additional or amended exhibits are attached hereto as a part of this amendment (list exhibits attached) Schedules "A" and "B", Certificate of Incorporation and By-laws attached to covering letter.

NOTE.--The amendment will not be accepted for filing unless both copies are signed and sworn to as required below.

The undersigned swear(s) or affirm(s) that he has (they have) read the information set forth in this amendment to the supplemental statement mentioned above and the attached exhibits, that he is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his (their) knowledge and belief, except that the undersigned make(s) no representation as to the truth or accuracy of information contained in any Exhibit A filed herewith insofar as such information is not within his (their) personal knowledge.

(Type or print name under each signature)

Isadore Hamlin
(Signature)

ISADORE HAMLIN, SECRETARY

(Signature)

(Signature)

(Signature)

(Signature)

Subscribed and sworn to before me at New York
this 22 day of Oct., 1967.

Fanny C. Speiser
(Notary or other officer)

My commission expires Mar 30, 1968
FANNY C. SPEISER
Notary Public, State of New York
No. 31-376-7100
Qual. filed in New York County
Commission Expires March 30, 1968

REGISTRATION No. 208**FILED**

OCT 5 1962

ation Section
of Justice

AMERICAN SECTION OF THE JEWISH AGENCY FOR ISRAEL

REGISTRATION NO. 208

SCHEDULE "A"

TO AMENDMENT TO SUPPLEMENTAL REGISTRATION STATEMENT

For 6 month period ending September 30, 1961

Date Payment made	Name of Person to Whom Payment made	Purposes for which Payment was made	Amount of Payment
5/19/61	(American Zionist	Subventions for publications of affiliated organizations	\$4,623.11
6/19/61	(Council	to enable them to disseminate to their memberships in the United States authoritative information on the program and work of the Jewish Agency in Israel in the fields of immigration, settlement, and education, and general information relating to Israel.	4,623.11
8/10/61			9,246.22
9/22/61			4,623.11
		TOTAL	<u>\$23,115.55</u>
8/19/61	(American Zionist	A special grant to assist in the preparation of research work and publications on developments in the Middle East as they relate to Israel.	\$ 2,000.00
6/19/61	(Council		2,000.00
8/10/61			4,000.00
9/22/61			2,000.00
		TOTAL	<u>\$10,000.00</u>
6/13/61	Representative of the Treasury, State of Israel	Grant to assist needy Israeli students studying at United States universities and colleges. These funds are administered by a joint committee of the Jewish Agency-American Section and the Israel Office of Information in New York.	5,666.66
7/31/61			5,500.00
8/14/61			2,833.33
			<u>\$13,999.99</u>
Through-out period	(American Jewish Congress	Payments made as a grant to enable a research program on the social, religious and cultural situation of the Jewish People in Soviet Russia.	\$ 2,154.68
			<u>\$2,154.68</u>
8/14/61	(Canadian Young Judea	Grants for educational activities among Canadian Jewish boys and girls.	\$1,500.00
			<u>\$1,500.00</u>

Schedule "A"

Date Payment made	Name of Person to Whom Payment Made	Purposes for which Payments was made	Amount of Payment
Throughout period.	Approximately seven ⁸⁰ payments to individuals, travel agencies, hotels, cable companies, under directly instructions from Jewish Agency for Israel, Jerusalem, Israel.	Travel costs and subsistence payments for lecturers from Israel to various Latin American countries, production costs for a film produced in Israel on account of Jewish Agency regarding immigration and re-settlement activities of the Jewish Agency in Israel.	\$38,589.72
			<u>\$38,589.72</u>
Throughout period.	Miscellaneous Items	Publicity Expenses	\$1,917.04
			<u>\$1,917.04</u>
Various	Small subsidies to cover hotel bills, subsistence on behalf of immigrants in transit to Israel, and other expenditures.		\$3,446.99
			<u>\$3,446.99</u>
Various	Miscellaneous Adjustments		\$2,205.65
			<u>\$2,205.65</u>
		TOTAL GRANTS AND SUBVENTIONS-EDUCATIONAL AND CULTURAL ACTIVITIES	<u>\$96,229.62</u>

REGISTRATION No. 208

FILED
 OCT 5 1962
 Registration Section
 DEPARTMENT OF JUSTICE

AMERICAN SECTION OF THE JEWISH AGENCY FOR ISRAEL

REGISTRATION NO. 208

SCHEDULE "B"

TO AMENDMENT TO SUPPLEMENTAL REGISTRATION STATEMENT

For 6 month period ending September 30, 1961

Date Payment made	Name of Person to Whom Payment Made	Purposes For Which Payment was made	Amount of Payment
6/18/61	Keron Eretz Israel	Part of subvention by Jewish Agency for Israel, Jerusalem	\$35,000.00
7/13/61	Shel Hamizrachi	to the listed six organizations for the purpose of helping them carry on parallel programs to those of the Jewish Agency designed to absorb new immigrants in Israel. These groups maintain agricultural settlements, children's institutions, educational and religious institutions, housing projects, old-age homes, etc., and help the Jewish Agency fulfill its task by receiving new immigrants to Israel into their facilities, thus relieving the administration and financial burden of the Jewish Agency.	31,350.40
8/8/61			9,616.80
9/14/61			9,616.80
6/8/61	Eastern Mediterranean, on behalf of Ofek Co.		9,556.70
7/6/61			14,500.00
7/25/61			31,250.00
7/13/61			4,778.35
8/8/61			4,778.35
9/14/61			4,023.92
6/9/61	American Express Co., on behalf of Keren Tel Hai		4,023.92
7/13/61			4,023.92
8/8/61			4,023.92
9/14/61			4,023.92
6/18/61	Agudat Israel World Organization		2,000.00
7/18/61	World Confederation of General Zionists	"	573.40
9/14/61		"	4,204.95
8/8/61	Poale Agudath Israel	"	10,304.20
9/14/61			2,576.05
8/11/61	Habonim	Subventions to listed Zionist youth organizations to help further their educational and religious programs, their publications, production of Hebrew materials, materials on Jewish history, Jewish folklore, etc.	875.00
8/11/61	Hashomer Hatzair		625.00
8/11/61	Hechalutz Hatzair		375.00
8/11/61	Snafi Akiva		625.00
5/8/61	Vaad Shearith M' Hapleita	Grant in connection with settlement of some of their members in Israel.	5,000.00
8/4/61	(a religious group)		5,000.00
6/30/61	Canadian Association for Hebrew Education and Culture	Subvention to encourage the study of Hebrew, Jewish life, and information on life of the Jewish community in Israel among the Jewish community in Canada.	3,630.00
9/22/61	Zionist Organization of Canada	Grants to this group in connection with operations of office in Canada disseminating information on opportunities for settlement in Israel.	3,095.00
8/10/61			3,095.00
5/10/61			340.00

(for period ending September 30, 1961)

Schedule "B"

Date Payment made	Name of Person to Whom Payment Made	Purposes For Which Payment was made	Amount of Payment
6/27/61	Brit Ivrit Olamit	Subvention to New York Office of this body which encourages the study of the Hebrew language and literature.	\$ 500.00
6/7/61	Manufacturers Trust Co. for the account of a voluntary committee for the restitution of Jewish property confiscated by the Nazis in Austria.		9,818.52
6/7/61	Rabbi Yehuda Gur	Travel expenses in connection with conference of American Rabbis in Israel - summer of 1961	500.00
6/18/61	Conference of Jewish Organizations	Participation in conference dealing with the protection of the rights of Jews in countries of oppression.	2,000.00
8/10/61	Near East Jewish Aid Society	Assistance to Jewish refugees from Arab countries	4,000.00
4/21/61	Miscellaneous		500.00
TOTAL PAYMENTS TO AFFILIATED ORGANIZATIONS			\$230,958.55

Mr. HAMLIN. But I would certainly like to look into this thing further.

The CHAIRMAN. Well, that is the best way we can interpret it. We have looked into it. But if you can look into it further and correct us, we will be perfectly willing for that to be done.

(See appendix 2, p. 1422, item 17.)

ACCOUNTANTS' RENDERING OF BUDGETARY EXPENSES FOR FISCAL YEAR
ENDING MARCH 1962

The CHAIRMAN. I show you a copy of a report dated June 25, 1962, to the Jewish Agency-American Section, Inc., by Green, Strocker & Co., certified public accountants, reporting on your operations for the fiscal year ending March 31, 1962, and ask if a copy of this report appears in your files?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. Schedule B-1 of this report, entitled "Budgetary Expenses Information, Year Ending March 31, 1962," carries the item "Jewish Telegraphic Agency, Inc., budget, \$60,000, expenditures, \$60,000"; is that correct?

Mr. HAMLIN. Yes, sir; I believe so.

(A copy of document is as follows:)

SCHEDULE B-1

THE JEWISH AGENCY—AMERICAN SECTION, INC.

Budgetary expenses, year ended Mar. 31, 1962

	Schedule Number	Budget	Expenditures
Administration in New York	B-1-a	\$165,331.00	\$140,451.38
Executive	B-1-b	65,345.00	65,465.85
President's office	B-1-c	12,000.00	5,986.97
Grants	B-1-d	28,000.00	28,000.00
President's conference	B-1-e	12,500.00	12,500.00
Keren Hayesod Subventions ¹	B-1-f	55,800.00	55,477.32
Public relations and special projects	B-1-g	105,500.00	96,212.62
Building rental		60,000.00	73,000.00
Israel students	B-1-h	5,000.00	5,000.00
Jewish Telegraphic Agency, Inc. ²		60,000.00	60,000.00
Press officer	B-1-i	6,000.00	3,745.98
Severance expense and other reserves		12,858.00	
Severance			18,752.17
Depreciation, furniture and equipment			1,355.63
Building improvements			6,325.00
Total		588,334.00	572,272.92

¹ See our schedule H.

² See our schedule E.

GREEN, STROCKER & COMPANY

REPORTING EXPENDITURES TO JUSTICE DEPARTMENT

The CHAIRMAN. Were those expenditures made by your Agency to the Telegraphic Agency?

Mr. HAMLIN. It was, sir.

The CHAIRMAN. Your accountants did not consider them as loans at that time, did they? They are not carried as loans?

Mr. HAMLIN. I do not think they are, sir. I think you are right.

(See appendix 2, p. 1422, item 18(a).)

The CHAIRMAN. Did you report any of these expenses on your registration statements filed with the Department of Justice?

Mr. HAMLIN. I am afraid I am going to have to give this a thorough study and advise you. It may very well be, sir, that this sum had not been laid out, the \$60,000 referred to, under other budgets and expenditures. The "amounts paid" column is here and the expenditures line is a bookkeeping device. It does not mean that the money was laid out.

Mr. BOUKSTEIN. Mr. Chairman, could I ask you, if you will be good enough to tell me, in what form do you want this information submitted, in the form of an affidavit so he is still under oath, or by letter, or what is your procedure?

The CHAIRMAN. I think the simplest is if you will write a letter; do you not?

Mr. BOUKSTEIN. I think the simplest would be, Mr. Chairman, if I may suggest, that your staff list all of the items which the witness was supposed to furnish, and that we will supply the information in a reply, and I think the oath applies to the letter as much as it does to the testimony.

The CHAIRMAN. I do, too. I think that will be the simplest. We do not want to complicate it any. We just wish to establish as clearly as we can the relationship between these agencies.

While you have that report, schedule B-1-g has the item "Public relations and special projects, year ending March 31, 1962."

I wonder if you have an itemization of these expenditures in the same form as requested for the earlier material?

(See appendix 2, p. 1423, item 18(b).)

Mr. HAMLIN. Yes, sir.

APPARENT INCONSISTENCY IN ITEMIZING EXPENDITURES TO DEPARTMENT
OF JUSTICE

The CHAIRMAN. I show you a copy of an amendment filed with the Department of Justice on October 5, 1962, to the registration statement of the American Section of the Jewish Agency of Israel, covering the 6-month period ending March 31, 1962, and signed by Isadore Hamlin, and ask if you completed and sent this statement?

Mr. HAMLIN. I beg your pardon, sir?

The CHAIRMAN. Did you sign and send that statement?

Mr. HAMLIN. Yes, sir; I did.

(A copy of the statement follows:)