

SAC, New York

May 1, 1951

Director, FBI

AMERICAN FINANCIAL AND DEVELOPMENT CORPORATION  
FOR ISRAEL  
REGISTRATION ACT

The Washington Post newspaper for Tuesday, May 1, 1951, at page 20, carried a full page advertisement announcing the first bond issue by the State of Israel. This was described as the \$500,000,000 Independence issue, issued on the occasion of the third anniversary of the State of Israel.

The advertisement indicated that the bonds would be sold by the American Financial and Development Corporation for Israel, 120 Broadway, New York 5, New York. A coupon imprinted in the advertisement indicated that a copy of the prospectus describing this bond issue could be obtained upon request at this address. It was also noted that the Chairman of the Board of Governors of the above corporation is Henry Morgenthau, Jr.

The Washington field Office is instructed to immediately contact the Foreign Agents Registration Section of the Department of Justice, and determine whether the captioned corporation has registered as an agent of a foreign principal.

The New York Office is instructed to immediately obtain two copies of the prospectus of the above-described bond issue and forward them to the Bureau.

cc - Washington field

1 ENCL

RECEIVED ENCLOSURE

SE 10

MAY 8 1951

RECORDED - 141

97-3038

EX - 131

EX - 131

- Tolson \_\_\_\_\_
- Ladd \_\_\_\_\_
- Clegg \_\_\_\_\_
- Glavin \_\_\_\_\_
- Nichols \_\_\_\_\_
- Rosen \_\_\_\_\_
- Tracy \_\_\_\_\_
- Harbo \_\_\_\_\_
- Belmont \_\_\_\_\_
- Mohr \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Nease \_\_\_\_\_
- Gandy \_\_\_\_\_

MAY 1 1951

MAY 21 1951

ABP

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NER

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 12-03-2013 BY ADG/ J75J65T61

Clipping from  
"Washington Post"  
page 20  
May 1, 1951

DER

file 5- DER

ENCLOSURE

97-3038-1

on the occasion of its third anniversary

# State of Israel

INDEPENDENCE ISSUE

two types of bonds are offered

a) *Interest Bearing Bonds Denominated as*  
**Fifteen Year 3½% Dollar Coupon Bonds**  
(in denominations of \$500 to \$100,000)

b) *Capital Appreciation Bonds Denominated as*  
**Twelve Year Dollar Savings Bonds**  
(in denominations of \$50 to \$10,000)  
**Maturity Value: 150% of issue amount**

This is not an offer to sell these securities. They are subject to the registration and prospectus requirements of the Federal Securities Act. Information about the issuer, the securities and the circumstances of the offering is contained in the prospectus required by that Act. Copies of the prospectus may be obtained from the undersigned.

AMERICAN *financial and development* CORPORATION FOR ISRAEL  
STATE OF ISRAEL BONDS  
120 BROADWAY, NEW YORK 5, N. Y.

HENRY MORGENTHAU, JR., Chairman, Board of Governors  
*American Financial and Development Corporation for Israel*  
State of Israel Bonds WSN  
120 BROADWAY, NEW YORK 5, N. Y.

Please send me a copy of the prospectus describing the  
\$500,000,000 State of Israel Independence Bond Issue.

NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZONE \_\_\_\_\_

97-3034-1

15.74

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 12-03-2013 BY ADG/ J75J65T61

THE  
  
STATE OF ISRAEL

announces its

first bond issue

\$500,000,000 INDEPENDENCE ISSUE

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **NEW YORK**

FILE NO. **97-721**

REPORT MADE AT <b>WASHINGTON, D. C.</b>	DATE WHEN MADE <b>5/16/51</b>	PERIOD FOR WHICH MADE <b>5/4, 8, 12, 14/51</b>	REPORT MADE BY <b>HARVEY BURSTEIN HB:crm</b>
TITLE <b>AMERICAN FINANCIAL AND DEVELOPMENT CORPORATION FOR ISRAEL</b>			CHARACTER OF CASE <b>REGISTRATION ACT</b>

**SYNOPSIS OF FACTS:**

American Financial and Development Corporation for Israel not registered with the Department of Justice under provisions Foreign Agents Registration Act and not notified to Department of State. Hirshon - Garfield, Inc., New York City, registered with Department of Justice as Agent for subject Corporation, which Corporation listed as Foreign principal.

*7-10-51  
1-21-51  
8-27-51  
REC-107  
1/2  
1-1-51*

*1cc to CIA agents  
6-19-51  
acc-KC* - P -

**DETAILS:** AT WASHINGTON, D. C.

Mrs. E. F. VINCENT, Foreign Agents Registration Section, Department of Justice, caused a search to be made of the files of that section; and the following information concerning captioned organization was made available.

The only information pertaining directly to the captioned subject was obtained from Registration Statement Abstract, Registration Number 665, File Number 149-2323, dated April 3, 1951. According to the Abstract, the Registrant's name and address were given as Hirshon - Garfield, Inc., 745 5th Avenue, New York 22, New York.

*97-3038-2*

APPROVED AND FORWARDED: <i>Harvey Burstein</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
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<b>R 465 APR 14 1961</b>		<b>RECORDED - 7</b>
5 - Bureau 3 - New York 2 - Washington Field	<b>COPY IN FILE</b>	<b>INDEXED - 7</b>

*REC JUN 1951*

WFO 97-721

The Abstract indicates that the Registrant has one employee; that its nationality is American, and that its business is advertising. According to the Statement, the officers were listed as follows:

SIDNEY GARFIELD, President and Director;  
LEWIS NEMERSON, Executive Vice-President;  
ERWIN SPITZER, Vice-President;  
JULIAN G. BRAUN, Assistant Treasurer, Assistant  
Secretary and Director:

The Abstract indicates that the principal is the Government of Israel - The American Financial and Development Corporation for the State of Israel - 2 Park Avenue, New York 16, New York. The principal's nationality was given as Israeli, and its business as Government. The Agency itself indicated that the Registrant would act as the principal advertising agency, placing advertisements in magazines and newspapers.

Mrs. VINCENT advised that the detailed Statement of the above-named organization was now being processed and reviewed by the Department of State, after which, it will be returned to the Department of Justice for filing; and she said that as a result, she was unable to furnish the detailed registration Statement at this time.

Mrs. LORRAINE SCHMALTZ, Security Division, Department of State, caused a search to be made of the Central files of the State Department in a effort to ascertain if subject organization has ever been notified to the Department. Mrs. SCHMALTZ advised that there was no record in the files of the State Department to indicate that the American Financial and Development Corporation for Israel has ever been notified to the Department.

- P E N D I N G -

WFO 97-721

LEAD PAGE

THE WASHINGTON FIELD OFFICE

AT WASHINGTON, D. C.

Will recontact the Foreign Agents  
Registration Section, Department of  
Justice and will report detailed  
information concerning the American  
Financial and Development Corporation  
for Israel available in the file on  
Hirshon - Garfield, Inc., when such  
information is available.

REFERENCE: Bureau letter dated May 1, 1951.

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

NEW YORK

FILE NO.

97-721

REPORT MADE AT <b>WASHINGTON, D. C.</b>	DATE WHEN MADE <b>6/9/51</b>	PERIOD FOR WHICH MADE <b>6/6,7/51</b>	REPORT MADE BY <b>HARVEY BURSTEIN, HB:IAK</b>
TITLE <b>AMERICAN FINANCIAL AND DEVELOPMENT CORPORATION FOR ISRAEL</b>			CHARACTER OF CASE <b>REGISTRATION ACT</b>

**SYNOPSIS OF FACTS:**

Foreign Agents Registration statement of HIRSHON-GARFIELD, INC. reflects its agency for subject corporation in the field of advertising. File reflects names of persons acting in behalf of the agency as well as funds received from the Government of Israel. Expenditures also listed. File contains copy of letter in behalf Israeli Government accepting terms of the agency.

*No dissemination  
due time - 6-22-51*

*0-1 form to NY  
9/26/57 WFO: dem  
4/18/58 WFO: dem  
1 ect. sub  
"Rest. will be subm. in" RUC -  
3 weeks. WFO: dem*

**DETAILS: AT WASHINGTON, D. C.**

*0-1 form to NY  
10/10/51 "Deadline"*  
The file on HIRSHON-GARFIELD, INC., was reviewed at the Foreign Agents Registration Section, Department of Justice, and it reflects that this named corporation is an agent of a foreign principal, namely the Government of Israel - The American Financial and Development Corporation for the State of Israel, whose principal address is given as 2 Park Avenue, New York 16, New York. The name and title of the official with whom the Registrant deals was given as HENRY MONTOR, Director.

*1 ect. CIA  
by R/S  
6-19-52  
new data*

The file also contains Exhibits A for the following named persons, all of whom are described as salaried employees of HIRSHON-GARFIELD, INC.: JUDAH KATZ, JULIAN G. BRAUN, ERWIN SPITZER and LEWIS EMERSON. According to the Exhibits, all of the aforementioned individuals are native born citizens of the United States. There is also an Exhibit A in the name of SIDNEY GARFIELD, a native born citizen, described as the President of HIRSHON-GARFIELD, INC. This Exhibit contains a statement to the effect that Mr. GARFIELD has received no monies from

APPROVED AND FORWARDED: <i>W. Stein</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES		
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WFO 97-721

the principal.

The registration statement itself, dated March 30, 1951, indicates that HIRSHON-GARFIELD, INC. was organized in October, 1932, and its principal office is at 745 Fifth Avenue, New York City, the person in charge being SIDNEY GARFIELD. The statement also indicates that there is a subsidiary, a Massachusetts corporation, which is located in the Park Square Building, Boston, Massachusetts, under the supervision of GABRIEL STERN.

The nature of the agency is described as being the advertising agency of the foreign principal, placing advertisements in newspapers, magazines. As of the date of the filing of the statement, the following funds were received from the Government of Israel:

January 30, 1951	\$23,120.16
February 7, 1951	\$31,652.60
February 21, 1951	\$19,404.93

The statement also reflects expenditures by the agent in behalf of the principal for advertising, production charges, printing and artists.

A letter confirming the selection of HIRSHON-GARFIELD, INC., as the advertising agency for subject corporation was addressed to Dr. MARTIN ROSENBLUTH, as the representative of the Government of Israel, on January 9, 1951, which letter was signed by SIDNEY GARFIELD. By signature dated January 11, 1951, Dr. ROSENBLUTH accepted the arrangements.

REFERRED UPON COMPLETION TO THE OFFICE OF ORIGIN

WFO 97-721

ADMINISTRATIVE PAGE

REFERENCE: Report of SA HARVEY BURSTEIN dated May 16, 1951, at  
Washington, D. C.

Director, FBI

June 11, 1951

SAC, New York

ISRAEL GOVERNMENT BONDS, INC.  
REGISTRATION ACT

Rebulet May 1, 1951, and Washington Field letter of May 16, 1951.

Enclosed herewith as requested by the Bureau is a copy of the prospectus for the current Israel bond drive. There is also enclosed literature which was made available to this office in connection with the bond drive.

For the information of the Bureau the enclosed material was obtained by the use of a suitable pretext and the interest of the Bureau was not disclosed to the individuals who are operating the bond drive in this area.

DES:RAA

Enclosures

ENCLOSURE  
1-ENCL.  
*a*

*U*

*3058-4*  
NOT RECORDED  
140 JUN 25 1951

ORIGINAL FILED IN

