

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

Mr. HAMMER. At some point in the future.

Senator SYMINGTON. It was made during wartime?

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

Senator SYMINGTON. Thank you, Mr. Chairman.

Mr. HAMMER. Thank you, sir.

#### MEMBERS OF PALESTINE FOUNDATION FUND

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

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

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

The CHAIRMAN. Groups or individuals?

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

The CHAIRMAN. Do you know how many there are?

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

The CHAIRMAN. The bylaws of that organization would reveal—

Mr. HAMMER. Would reflect these facts.

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

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

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

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

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

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

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

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

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

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

Senator HUMPHREY. So it is split off?

Mr. HAMMER. It is split off.

Senator HUMPHREY. Yes.

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

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

Mr. HAMMER.  
The CHAIRMAN.  
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Fund?

Mr. HAMMER.  
The CHAIRMAN.  
Mr. HAMMER.

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Agency for

The CHAIRMAN.  
Mr. HAMMER.

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Mr. HAMMER. No, sir.

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

Mr. HAMMER. Yes, sir.

The CHAIRMAN. Who are they?

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

The CHAIRMAN. After 1960, if you know.

Mr. HAMMER. Yes.

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

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

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

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

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

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

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

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

The CHAIRMAN. Is that the American Section?

Mr. HAMMER. No, sir; the INC., the American organization.

Senator HUMPHREY. Mr. Chairman, may I ask a question?

The CHAIRMAN. Yes.

#### CITIZENSHIP OF INC. BOARD MEMBERS

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

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

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

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

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

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

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

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

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

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

#### REASON FOR NEW YORK CORPORATION TERMINATING REGISTRATION

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

Mr. HAMMER. That is correct, sir.

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

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

salem Agency; dependently spent overseas.

The CHAIRMAN. The agent of the Agency is you, Mr. HAMMER.

The CHAIRMAN. April 5, 1962. United Israel of the United prepared and

Mr. HAMMER. A copy of

Mr. HENRY C. B. Executive Vice President, United Jewish Appeal, New York, N.Y.

DEAR HENRY: Your check, received, and by Mr. Aryeh L. to pay out, on Jewish Telegraph and Herald that the on their behalf.

We would re the rate of \$1.75 by JTA of its income! Should goes on, we may

We are advis duct fund-raising Looking forward Sincerely

Cc: Rabbi H

AUTHORI

The CHAIR

In pursuance concerning the L. Pineus, trea on behalf of t Telegraphic Ag We understa to pay out on th

Would you United Israel Agency, Jeru UJA?

# ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S. 1237

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

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

Mr. HAMMER. That is correct, sir.

LETTER DATED APRIL 5, 1962

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

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

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

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

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

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

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

Looking forward to your confirmation of this arrangement.

Sincerely yours,

GOTTLIEB HAMMER, Secretary.

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

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

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

In pursuance of the discussions which were held and the agreement reached concerning the Jewish Telegraphic Agency, I have been authorized by Mr. Aryeh L. Pineus, treasurer of the Jewish Agency, to ask New York UJA to pay out on behalf of the United Israel Appeal 67 percent of \$50,000 to the Jewish Telegraphic Agency for the year commencing April 1, 1962.

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

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



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

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

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

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

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

(A copy of the document is as follows:)

BUDGET DIGESTS

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

MAY 1961- NO. 30

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

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

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

The AZC is appealing directly to Welfare Funds for the first time in 1961 to provide \$778,000 toward a net budget of \$1,463,487 \*\* for the year beginning April 1, 1961. The balance of \$689,487 which is to be sought from non-Welfare Fund sources, including support from its constituent organizations, will be directed especially to finance those programs which have more direct relevance to the responsibilities of these organizations than to the community as a whole. This is reflected in the goal of \$215,000 which it will seek to raise from and through the membership of its nine constituent organizations. It will also seek to raise \$292,000 in New York City and will require an additional \$178,000 from independent fund raising in some large cities to balance its budget.

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

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

In order that of inclusion of AZC early in beneficiary of budgetary information and specific re

The information in accordance

The AZC with financial support Agency support. The AZC is seen of the Jewish activities from financed by the principle that American Jew

The budgetary expenditure level. With the transfer the Jewish Agency terminate whether erations which ence.

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2. The Youth youth movement (\$118,500). in Israel (\$17. constituent of Israel are par University (\$: about \$6,000 f

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3. The Orga offices of the departments. tivities on the The AZC represents this represent 1959.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Herzl Institute (\$106,510) was established in 1951 by the Jewish Agency and the American Zionist Council as a center for Zionist adult education. Its programs have included lectures on contemporary problems on the Jewish scene in all countries. Subjects dealt with included life in the Negev, the status of Arabs in Israel, everyday life in Israel, the position of Russian Jewry, the nature of Jewish religious revival, Jewish life in Europe, etc.

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

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

The Herzl Press (\$10,100) has published ten volumes and four booklets including such titles as: "The American Jew," "The New Zionism," "Utopians at Bay," "Early History of Zionism in America and Latin America" and "The Palestine Problem." Some books were subsidized but appeared under the imprint of other publishing houses.

The major interest of the quarterly magazine "Midstream" (\$29,000) revolves around Israel and the implications of the fate of the destroyed Jewish communities of Europe. However, these primary interests are related to nearly every phase of Jewish life in America by the editors of "Midstream." Hence, almost any development on the American Jewish cultural scene is considered to be of interest to "Midstream" and is reflected in its publication program. The quarterly has approximately 4,500 subscribers.

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

5. The *Department of Education and Culture* (\$161,077) has as its major objectives the promotion of knowledge of Hebrew culture and modern Israel. These efforts include the advancement of Hebrew language studies.

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

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

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

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

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

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

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

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

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

and pamphlets, some 16,000 persons.

8. A *Headquarters* administration, rent, etc. be identified in the Departments of the

9. *Fund Raising* organize independent cities and to inter-

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BUDGET DIGEST

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

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

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

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

| Department                       | Expenditures | Income        |               |                           |               |
|----------------------------------|--------------|---------------|---------------|---------------------------|---------------|
|                                  |              | Welfare funds | New York City | Constituent organizations | Other sources |
| Information and public relations | \$328,350    | \$183,555     | \$66,835      | \$53,840                  | \$33,970      |
| Youth                            | 306,619      | 150,155       | 46,500        | 37,970                    | 60,000        |
| Organization                     | 129,133      | 72,085        | 22,350        | 21,170                    | 13,355        |
| Herzl Foundation                 | 211,336      | 118,150       | 68,580        | 34,650                    | 21,855        |
| Education and culture            | 191,075      | 77,000        | 24,050        | 22,750                    | 16,715        |
| Torah, education, and culture    | 75,083       | 35,970        | 11,130        | 10,800                    | 7,765         |
| Archives and library             | 67,400       | 37,700        | 11,665        | 11,050                    | 6,975         |
| Headquarters administration      | 138,900      | 77,000        | 24,045        | 22,770                    | 14,365        |
| Fundraising                      | 45,000       | 25,155        | 16,845        |                           | 3,000         |
| Total                            | 1,463,487    | 778,000       | 292,000       | 215,000                   | 178,000       |

The above distribution is based upon:

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

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

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

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

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

The AZC—

that is, the American Zionist Council—

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

United Jewish Appeal—

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

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

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

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

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

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

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

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

The CHAIRMAN. That is correct.

Would you say that was an incorrect statement?

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

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

Mr. HAMMER. Yes, sir.

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

Mr. HAMMER. It is correct, sir.

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

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

Mr. HAMMER. It did, sir.

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

Mr. HAMMER. No, sir.

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

The CHAIRMAN. What other funds did it have available?

Mr. HAMMER. Pardon me, sir?

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

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

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

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

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

The CHAIRMAN. Each year?

Mr. HAMMER. Each year: yes, sir.

The CHAIRMAN to the American

Mr. HAMMER recall. I can the record.

The CHAIRMAN: ments to the year—

Mr. HAMMER (See append

BUDGET

The CHAIRMAN: September 4, the American you if you were

Mr. HAMMER

The CHAIRMAN (The letter:

Rabbi IRVING M. Chairman, American 342 Madison Ave New York, N.Y.

DEAR IRVING: decided that for budgets will be regretfully advise regular payment

We urge you percent of your apportionment of the balance of the

Cordially

The CHAIRMAN

As you are aware balance of this for the Jewish Agency we will henceforth

We urge you percent of your apportionment of the balance of the

First, what

Mr. HAMMER sir.

The CHAIRMAN: Was the budget for the Jewish Agency?

Mr. HAMMER

The CHAIRMAN: I presume?

Mr. HAMMER

The CHAIRMAN: paid by the agency

Mr. HAMMER



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

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

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

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

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

BUDGET OF AZC DISCUSSED IN LETTER OF SEPTEMBER 4, 1958

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

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

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

(The letter referred to follows:)

SEPTEMBER 4, 1958.

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

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

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

Cordially yours,

GOTTLIEB HAMMER,  
Executive Director.

The CHAIRMAN. It reads:

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

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

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

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

The CHAIRMAN. In Jerusalem.

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

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

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

Mr. HAMMER. In the same fashion, sir.

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

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

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

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

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

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

The CHAIRMAN. I would think so.

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

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

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

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

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

The CHAIRMAN. To the American Zionist Council?

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

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

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

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

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

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

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

If at any time we were always From time were satisfacto

#### QUESTION

The CHAIRMAN. whom you made

Mr. HAMMER. further expansion

Mr. BOTKIN

The CHAIRMAN

Mr. BOTKIN request was to

that organization

The CHAIRMAN

Mr. BOTKIN

The CHAIRMAN 1960

Mr. HAMMER

Senator SY request made?

Mr. BOTKIN the exact date,

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Mr. BOTKIN American Section,

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Senator SY controlled by Americans?

Mr. BOTKIN item you refer

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#### REPORT

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Mr. BOTKIN

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

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

QUESTION OF JUSTICE DEPARTMENT REQUEST FOR DISCLOSURE OF PAYMENTS

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

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

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

The CHAIRMAN. Yes?

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

The CHAIRMAN. Subsequent to 1960?

Mr. BOOKSTEIN. That is correct.

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

Mr. HAMMER. None.

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

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

Senator SYMINGTON. Late 1962?

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

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

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

Senator HUMPHREY. AZC.

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

Senator SYMINGTON. Controlled by?

Mr. BOOKSTEIN. Jerusalem.

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

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

REPORTING PAYMENTS TO "AFFILIATED ORGANIZATIONS"

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

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

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

Mr. BOUKSTEIN. All right.

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

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

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

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

Senator SYMINGTON. Thank you.

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

Mr. HAMMER. INC. was registered, sir.

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

Mr. HAMMER. That is correct, sir.

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

Mr. HAMMER. Yes.

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

Mr. HAMMER. That is correct, sir.

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

Mr. HAMMER. That is correct, sir.

#### QUESTIONS REGARDING ADEQUACY OF FILING

Senator HUMPHREY. May I ask a question here?

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

Mr. HAMMER. No, sir.

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

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

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

Mr. HAMMER. No, sir.

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

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

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

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

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

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

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

Mr. HAMMER. No, sir.

Senator HUMPHREY. Did any committee of Congress?

Mr. HAMMER. No, sir.

Senator HUMPHREY. Did anybody else?

Mr. HAMMER. No, sir.

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

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

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

Mr. HAMMER. No individual would benefit.

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

Mr. HAMMER. That is correct, Senator.

Senator SYMINGTON. Thank you.

#### RENDERING OF ACCOUNTS TO THE JEWISH AGENCY

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

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

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

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

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

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



The CHAIRMAN. Reporting how they expended the money?

Mr. HAMMER. That is right, sir.

The CHAIRMAN. That is what I mean.

Mr. HAMMER. Right.

(See appendix 1, p. 1408, Item 9.)

LETTER DATED FEBRUARY 7, 1957 TO MR. HAMMER FROM RABBI UNGER

The CHAIRMAN. Mr. Hammer, I show you a copy of a letter dated February 7, 1957, addressed to Mr. Gottlieb Hammer, from Rabbi Jerome Unger, executive director of the American Zionist Council, and ask you if you received such a letter?

Mr. HAMMER. Yes, sir.

(A copy of the letter follows:)

AMERICAN ZIONIST COUNCIL,  
New York, N.Y., February 7, 1957.

Mr. GOTTLIEB HAMMER,  
Jewish Agency for Palestine,  
16 East 66 Street,  
New York, N.Y.

DEAR GOTTLIEB:

Below is the accounting due on February 1, 1957. Despite somewhat better payments in January, the total is only slightly less. This results, of course [illegible] the unbudgeted unusual expenses during the Middle Eastern crisis and the large addition to our costs of a new commitment for services not part of our budget. In addition, of course, the continuing unpaid balance adds to the large total.

|   |              |
|---|--------------|
| Due January 1, 1957 .....                   | \$128,199.43 |
| Paid by Jewish Agency for AZC account ..... | 834.15       |

|                                   |            |
|-----------------------------------|------------|
| Balance Due January 1, 1957 ..... | 127,365.28 |
| Received in January 1957 .....    | 80,000.00  |
| Unpaid Balance Still Due .....    | 47,365.28  |

|  |           |
|--|-----------|
| Regular Allocation for February 1957 ..... | 57,698.69 |
|--|-----------|

Department of Education and Culture:

|   |          |
|---|----------|
| Hebrew Culture Committee (Lapson) ..... | \$833.00 |
|---|----------|

|                      |        |
|----------------------|--------|
| Choral Society ..... | 330.00 |
|----------------------|--------|

|                                |          |          |
|--------------------------------|----------|----------|
| Paid to Histadruth Ivrit ..... | 4,580.00 | 5,523.00 |
|--------------------------------|----------|----------|

Special Unbudgeted Expense during Middle East Crisis:

|                  |          |
|------------------|----------|
| ✓ Printing ..... | 1,456.00 |
|------------------|----------|

|               |          |
|---------------|----------|
| Postage ..... | 4,466.18 |
|---------------|----------|

|                     |          |
|---------------------|----------|
| Western Union ..... | 1,100.00 |
|---------------------|----------|

|                                 |        |
|---------------------------------|--------|
| Records and Radio Reports ..... | 543.00 |
|---------------------------------|--------|

|                           |       |
|---------------------------|-------|
| Misc. and Messenger ..... | 66.33 |
|---------------------------|-------|

Regional Presidents' Conference:

|                |         |
|----------------|---------|
| Printing ..... | \$82.00 |
|----------------|---------|

|               |        |
|---------------|--------|
| Postage ..... | 865.74 |
|---------------|--------|

|                                   |        |
|-----------------------------------|--------|
| Overtime for Clerical Staff ..... | 547.32 |
|-----------------------------------|--------|

|   |          |
|---|----------|
| Received for Material and Records ..... | 1,495.96 |
|---|----------|

|  |          |
|--|----------|
| Quarterly payment to Mr. I. L. Kenen for public relations services ..... | 5,000.00 |
|--|----------|

|                   |            |
|-------------------|------------|
| Grand total ..... | 113,767.91 |
|-------------------|------------|

I hope that by the time we reach March 1, we shall see our account even and fully paid.

With all good wishes, I am,

Sincerely yours,

JEROME UNGER,  
Executive Director.

<sup>1</sup> Of which AZO is absorbing 1/2 and seeking reimbursement for 1/2.

ey?

PERIODIC ACCOUNTING RENDERED

The CHAIRMAN. Is this one of the periodic accountings?

Mr. HAMMER. I would say that, since this is dated in February, it probably would be, since our fiscal year ran from April 1, and this was submitted in time for consideration before the budget for the new fiscal year was fixed.

The CHAIRMAN. It says:

Below is the accounting due on February 1, 1957.

That would indicate it was one of the accounts such as you mentioned a moment ago, is that correct?

Mr. HAMMER. That is correct, sir.

The CHAIRMAN. This is a statement of the amount due the American Zionist Council from the Agency to cover the budget of the American Zionist Council, plus certain unbudgeted expenses accounted for in the letter?

Mr. HAMMER. That would be correct, sir.

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

I call your attention to the last line—

Senator SYMINGTON. Mr. Chairman, before leaving that, who is on the American Zionist Council?

Mr. HAMMER. Senator, the American Zionist Council is a body consisting of representatives from various American Zionist groups.

Senator SYMINGTON. Is there any official of the Israeli Government on the American Zionist Council?

Mr. HAMMER. There is no official of the Israeli Government on that Council.

Senator SYMINGTON. Is there any control by Israel?

Mr. HAMMER. No, sir.

QUESTIONS CONCERNING COMPLIANCE WITH REGISTRATION PROVISIONS

Senator SYMINGTON. When you paid a half million dollars to the American Zionist Council, inasmuch as we are discussing registration under the Foreign Agent Registration Act, why would you necessarily give a report in detail of \$500,000 from one group which consisted of American citizens to another group of American citizens?

Mr. HAMMER. Prior to April, 1960, the Jewish Agency for Israel, Inc., was registered as a foreign agent.

Senator SYMINGTON. Yes.

Mr. HAMMER. And, therefore, the question may arise, if the foreign agent did give this sum to the American Zionist Council, why did they not register.

Mr. BOUKSTEIN. Senator, Mr. Chairman, may I clarify this point?

Senator SYMINGTON. I want to be clear about this point.

Mr. BOUKSTEIN. The form that has to be filed semiannually with the Department of Justice requires the reporting of payments made, not necessarily to foreigners or to foreign agents, but to anybody in this country, and, inasmuch as prior to 1960 his organization was registered as a foreign agent—

Senator HUMPHREY. When you say "his organization," Jewish Agency?

ABRI UNGER

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e Director.

Mr. BOUCKSTEIN. Jewish Agency for Israel, Inc., prior to 1960.

Mr. HAMMER. Prior to 1960.

Mr. BOUCKSTEIN. It ceased being a foreign agent in 1960, but it was a foreign agent prior to 1960, and, therefore, any payments it made prior to 1960, had to be reported to whomsoever made.

Senator SYMINGTON. I do not want to labor this, but suppose I am registered as a foreign agent and give a party, say at a golf club, which party included a foreign ambassador.

Do I have to register that as a contribution or sales expense?

I just want to see how far this goes.

Mr. BOUCKSTEIN. Well, Senator, I do not know, but, certainly, in your case, I should not think so.

Senator SYMINGTON. Suppose I am a registered foreign agent and I give a party which includes two friends from Israel, say a party with many other people. Do I have to register that tab as an effort of a foreign agent?

Mr. BOUCKSTEIN. My own personal opinion would be if this was a matter of entertainment of your friends or a party in their honor with no specific objective as part of your activities as a foreign agent, that you would not have to do that.

Senator SYMINGTON. Suppose at this party we discussed after dinner at some length, problems incident to helping refugees move into Israel. Would that change the requirement, in your opinion, as a lawyer?

Mr. BOUCKSTEIN. If a foreign agent—counsel for the committee may be more competent than I to answer this question, but my own opinion would be, if a registered foreign agent incurs expenses in connection with his work, that, in one form or another, he reports them.

Senator SYMINGTON. That does not quite answer my question. In this particular case, what do you think would be the necessity—

Mr. BOUCKSTEIN. It would not constitute a payment to somebody but it would be probably miscellaneous expenses.

Senator HAMMUREY. And, therefore, subject to registration?

Mr. BOUCKSTEIN. Subject to reporting.

Senator SYMINGTON. Let us carry this further.

Suppose at this party several Members of Congress were asked, perhaps a member of the Foreign Relations Committee, and we had dinner. Would that be a requirement to be filed? Members of Congress might vote on matters pertinent to Israel.

Mr. BOUCKSTEIN. Generally speaking, I think that—I would not say so at all, Senator Symington. I think that the act requires you, and the regulations require you, to report expenses in connection with your activities as a foreign agent.

It does not mean that you may not meet people who are foreigners and may not discuss your problems with them as long as you are not subsidizing them or paying them any money. Sometimes it is hard to draw the line. Is it a matter of—

Senator SYMINGTON. What would you say, if you were paying money to individuals of the American Zionist Society for certain activities?

Mr. BOUCKSTEIN. That we would have to report.

If a foreign agent, a registered foreign agent, pays money to an organization, and the organization engages in activities which are not exempt under the 1938 act, then he would have to report that.

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Senator SYMINGTON. One more question:

Do you, as a lawyer, now feel, based on the testimony this morning, that it would have been wise to have detailed the payments of all the money Mr. Hammer's organization paid to such organizations as the American Zionist Council?

Mr. BOCKSTEIN. Well, Senator, I cannot say whether it would have been wise or unwise, but I checked the general method of reporting, and what we did was completely in conformity with the general and accepted method of reporting.

Senator SYMINGTON. As the reporting of an income tax, you do it the way you think is right and if later you find out the Internal Revenue Department does not think it right, they notify you and you change it?

Mr. BOCKSTEIN. I want to make one thing perfectly clear: There certainly was no attempt either to hide or to conceal anything.

#### IDENTIFICATION OF MR. I. L. KENEN

The CHAIRMAN. Mr. Hammer, referring to the letter of February 7, 1957, which is that report, the accounting of the American Zionist Council to the Jewish Agency for Palestine, I call your attention to the last line of the first page which reads, as follows:

Quarterly payment to Mr. I. L. Kenen for public relations services, \$5,000.

Who is Mr. I. L. Kenen?

Mr. HAMMER. Mr. I. L. Kenen is a newspaperman, former newspaperman, out of Cleveland, New York, presently Washington, Cleveland, Ohio, and New York City--I meant and now resident in Washington--who edits a rather lively newsletter called "The Near East Report."

The CHAIRMAN. Was Mr. Kenen at this time associated with the American Israel Public Affairs Committee?

Mr. HAMMER. I believe he was.

The CHAIRMAN. Were the payments here indicated, quarterly payments, of \$5,000 for his work with that committee?

Mr. HAMMER. I would not know, sir.

The CHAIRMAN. Why were you making these payments of \$5,000?

Mr. HAMMER. We were making a broad, general allocation to the American Zionist Council for certain categories of activities. Within these categories, the American Zionist Council determined for itself how to spend these items, and let me say this, Senator: We would not determine that x dollars would be paid to this particular activity or for this particular expense. That would be left to the American Zionist Council.

We were satisfied that they were working along lines which would be helpful to our overall effort.

The CHAIRMAN. Well, did the Agency, in fact, reimburse the Council for these payments for these services?

Mr. HAMMER. Well, the Agency enabled the American Zionist Council to do this work by making a broad, general allocation. It did not specifically reimburse the Council for this or any other item.

The CHAIRMAN. Was this an unbudgeted item, do you know? You have got a copy of the letter there.

Mr. HAMMER. I have no way of telling at this moment whether it was budgeted or unbudgeted. It probably could be a budgeted item, and I do not quite know what that \$5,000 payment was for. I do know that we did make money available. We were—we had a high opinion of this particular newsletter that Mr. Kenen edits and circulates, and we wanted to make it possible for the Council to make subscriptions to this newsletter available to leading American Zionists, to schools, to newspapers, to other interested parties.

Now whether it was for one particular item of service or whether it was for subscriptions to the bulletin, I would not know, sir.

#### SERVICES PERFORMED BY MR. KENEN

The CHAIRMAN. Mr. Hammer, what are the public relations services that Mr. Kenen was rendering to the American Zionist Council for which the Jewish Agency was to reimburse the Council?

Mr. HAMMER. Mr. Chairman, I am afraid, I would not know specifically what services Mr. Kenen rendered to the American Zionist Council. I should like to point out if I may, sir, I am neither, nor never was an officer or director or an employee or an agent of the American Zionist Council. I never attended their meetings, and I would not have any specific information as to their general activities. I have a pretty fair idea of their general overall purposes, and their general programs.

The CHAIRMAN. Are you familiar with the activities of Mr. Kenen?

Mr. HAMMER. In a broad sense only. I have known him, I knew him many years ago, and I run into him occasionally. I know that he is the director of the American Israel Public Affairs Committee, and he is also editor of the Near East Report of which I am a subscriber, and I know that he is usually running around the country making speeches. Incidentally, I have a very high regard for Mr. Kenen. I regard him as an old, old friend.

The CHAIRMAN. He is stationed here in Washington?

Mr. HAMMER. I believe he resides here in Washington; yes, sir.

The CHAIRMAN. Do you know for how long a period, up to April 1960, the Jewish Agency paid such fees for Mr. Kenen through the American Zionist Council?

Mr. HAMMER. If I may, Mr. Chairman, I would like to restate that because I do not recall the Jewish Agency specifically making a payment to the —to Mr. Kenen.

The CHAIRMAN. This report clearly indicates that, doesn't it? They report to you how they spent the money.

Mr. HAMMER. We made money available to the American Zionist Council.

The CHAIRMAN. That is right.

Mr. HAMMER. So they would be able to carry forward a broad program of public relations. Now within that broad program they either bought subscriptions for Mr. Kenen's bulletin or for making speeches or for other things or for public relations services, the character of which I am not familiar with. I don't know.

The CHAIRMAN. Well, this statement is very succinct, it says:

Quarterly payments to Mr. I. L. Kenen for public relations services.



I would interpret that to mean a quarterly payment being \$5,000 that he was being paid at the rate of \$20,000 a year.

Mr. HAMMER. It would appear that way from this letter: yes, sir.

The CHAIRMAN. This is an accounting to you of how they spent the money which you supplied to them: is it not? The payments that were due him from money received from you?

Mr. HAMMER. I would regard this as, sir, a documented request for funds. They were constantly asking for payment on their broad general allocation and that was Rabbi Unger's method of trying to get me to accelerate payment on account of their budget.

The CHAIRMAN. You did pay these funds, didn't you?

Mr. HAMMER. Yes; after a while, yes—as funds were made available to us.

Senator HUMPHREY. Mr. Chairman, whom does Mr. Kenen work for?

The CHAIRMAN. Let me ask one last one.

Senator HUMPHREY. Excuse me.

The CHAIRMAN. Did you ever make any direct payments to Mr. Kenen?

Mr. HAMMER. I do not recall ever having made any direct payments to Mr. Kenen. I may have for purchase of bulletins or subscriptions to his newsletter.

The CHAIRMAN. Senator Humphrey.

Senator HUMPHREY. I know Mr. Kenen. I don't see him very often but I have seen him a half dozen times. Is he an American citizen?

Mr. HAMMER. I believe he is an American citizen.

Mr. BOCKSTEIN. Definitely, of course.

Senator HUMPHREY. Does he work for the Jewish Agency?

Mr. HAMMER. No, sir; he does not work for the Jewish Agency.

Senator HUMPHREY. Whom does he work for?

Mr. HAMMER. He is an independent entrepreneur resident in Washington. He is executive director of the American Israel Public Affairs Committee and he is also an editor of a Washington newsletter entitled "Near East Report."

#### DETAILED STATEMENTS FROM AZC TO THE INC.

Senator HUMPHREY. And this statement we see here, this letter of February 7 which has on the bottom of page 1 a notation:

Quarterly payment to Mr. I. L. Kenen for public relations services.

Is that a public relations service that was afforded or was rendered to the American Zionist Council?

Mr. HAMMER. I would assume rendered to the American Zionist Council; yes, sir.

Senator HUMPHREY. In other words, the American Zionist Council had hired his services?

Mr. HAMMER. They probably had; yes.

Senator HUMPHREY. And you are reimbursing the American Zionist Council; did you reimburse the American Zionist Council by a check to Mr. I. L. Kenen?

Mr. HAMMER. No, sir.

Senator HUMPHREY. Or did you reimburse the American Zionist Council by a check to the American Zionist Council?

Mr. HAMMER. We simply made available to the American Zionist Council funds on account of a general annual allocation.

Senator HUMPHREY. But not for specific items?

Mr. HAMMER. Not for specific items per se.

Senator HUMPHREY. What is the purpose, then, of the detailed statement?

Mr. HAMMER. It was Rabbi Unger's method of trying to get me to accelerate the flow of cash to his organization. At that time we were in a period of high immigration, and I had to exercise my discretion in how to deploy the use of funds coming to me from the United Jewish Appeal.

(See appendix I, p. 1411, Item 15.)

To send it on for refugee needs or make it available for this. I gave this a rather medium order of priority, and as a result they were short of cash, and he would implore me to send him more money and he would do it by means of phone calls or by means of letters of this type. I frankly do not regard this an accounting in the true book-keeping sense.

Senator HUMPHREY. In other words, this letter is a way to remind you where these moneys—

Mr. HAMMER. That we owe this money.

Senator HUMPHREY. And that it would be spent for these items?

Mr. HAMMER. That is right, and we would send him more money.

Senator HUMPHREY. I want to get it perfectly clear.

During the period of time that your Agency was registered or you as a foreign agent, did Mr. Kenen receive direct payment from you?

Mr. HAMMER. I do not recall ever having made direct payment to Mr. Kenen.

Senator HUMPHREY. I mean was he on your payroll?

Mr. HAMMER. He was not on the payroll of the Jewish Agency.

Senator HUMPHREY. It is entirely probable that you might have purchased something from him?

Mr. HAMMER. That is right.

Senator HUMPHREY. Has he been on the payroll of the American Zionist Council over any period of time that you know anything about?

Mr. HAMMER. I would not know, sir.

Senator HUMPHREY. We should really ask that information from the American Zionist Council.

Mr. HAMMER. That is correct.

Senator HUMPHREY. Who is the head again of the American Zionist Council?

Mr. HAMMER. The chairman is Rabbi Irving Miller and its executive director is Rabbi Jerome Unger.

Mr. BOUKSTEIN. May I say, Mr. Chairman, that the American Zionist Council is obviously subsidized by the Agency, but its activities are completely independently managed by itself. The Agency doesn't run the American Zionist Council. It is not an activity in the sense of the Agency—in the sense of running a department or something like this.

Senator HUMPHREY. I happen to know a gentleman in my home State, Dr. Moses Barron, who is one of our outstanding citizens who I know is very active in the American Zionist Council movement.

In fact, I have our leading ph. anybody's contr. He is a pretty

The CHAIRMAN

Senator HUMPHREY

The CHAIRMAN for the record t between 1955 and

Mr. HAMMER whatever such l able to your sta (See appendi

The CHAIRMAN Zionist Council Jewish Appeal.

Mr. HAMMER me whether the is the followin Jewish Agency Jewish Appeal

Then there w Latin America money which v the Jewish Ag United States, little bit more, the money we g refugee purpo or three times that the amou Council was co Appeal.

I want to re sources, from

The CHAIRMAN this period, d source?

Mr. HAMMER source, but ou the problem c not stop to sa this is Canadi

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The CHAIRMAN

Mr. HAMMER

The CHAIRMAN

Mr. HAMMER Appeal. Bu cant.

In fact, I have been at many of his gatherings at home. He is maybe our leading physician, heart specialist. I don't think he is under anybody's control including his wife's, according to what I have heard. He is a pretty good fellow.

The CHAIRMAN. Is that all?

Senator HUMPHREY. That is all.

The CHAIRMAN. Mr. Hammer, did I ask you if you could supply for the record the reports of the AZC such as this that you have between 1955 and 1960, prior to the reorganization?

Mr. HAMMER. You did ask me, sir, and I am trying to get together whatever such letters I have from Rabbi Unger and make them available to your staff.

(See appendix 1, p. 1408, Item 9.)

#### SOURCE OF FUNDS SUPPLIED TO THE AZC

The CHAIRMAN. The funds which you supplied to the American Zionist Council in accordance with this letter came from the United Jewish Appeal. I believe you just stated that.

Mr. HAMMER. As I understand your question, Senator, you asked me whether these funds came from the United Jewish Appeal. There is the following concept: We—by "we" in this instance I mean the Jewish Agency—had several sources of funds. One was the United Jewish Appeal and obviously that was the bulk of the money we got.

Then there were other sources which came from overseas, came from Latin American countries, came from Canada, and the amount of money which we received from overseas, the amount of money which the Jewish Agency in Jerusalem received from countries outside the United States, usually ran around \$10 million a year, sometimes a little bit more, sometimes a little bit less, and we always regarded that the money we got from the United Jewish Appeal was being spent for refugee purposes because the Jerusalem Agency always spent two or three times the amount we made available for those purposes, and that the amount of money we were giving to the American Zionist Council was coming from other, sources other than the United Jewish Appeal.

I want to reemphasize that this money came from Latin American sources, from Canada. It did not necessarily come from—

The CHAIRMAN. Did you in the keeping of your accounts during this period, did you segregate each account in accordance with its source?

Mr. HAMMER. We kept our accounts, of course, in accordance with source, but our cash was not segregated, and when I was faced with the problem of how to best utilize whatever cash was on hand, I did not stop to say well, this is American cash or this is borrowed cash or this is Canadian cash or any other cash.

The CHAIRMAN. It all went into the same bank account; did it not?

Mr. HAMMER. Same bank account; yes, sir.

The CHAIRMAN. And the bulk of it was United Jewish Appeal?

Mr. HAMMER. Bulk of it was United Jewish Appeal obviously.

The CHAIRMAN. Eighty percent, would you say, or 90 percent?

Mr. HAMMER. Oh, most substantial part of it was United Jewish Appeal. But the non-United Jewish Appeal part was not insignificant.

The CHAIRMAN. Yes. I don't mind your lawyer intervening but he is really, his function is really to advise you on your legal rights and not to coach every answer. It is quite all right, but I think——

Mr. BOCKSTEIN. I wanted to clarify, Mr. Chairman.

MEMO CONCERNING PAYMENTS TO MR. KENEN

The CHAIRMAN. Really, Mr. Hammer is the witness and we are really interested in his testimony. But I don't object to it. I hand you a memorandum, Mr. Hammer, and ask you to identify that, please, sir. Can you identify that memorandum, Mr. Hammer?

Mr. HAMMER. This appears to be a memorandum from a man who was one of my assistants at that time.

The CHAIRMAN. What is his name?

Mr. HAMMER. Mr. Jay D. Leshin.

The CHAIRMAN. Assistant of yours?

Mr. HAMMER. He was an assistant of mine.

The CHAIRMAN. Who is it to?

Mr. HAMMER. It is addressed to the bookkeeper.

The CHAIRMAN. Your bookkeeper.

Mr. HAMMER. My bookkeeper.

The CHAIRMAN. What's the date of it, just read it for the record.

Mr. HAMMER. June 26, 1958. And this memorandum reads:

Please——

addressed by Mr. Leshin to Miss Speiser——

Please issue a check to the American Zionist Council in the amount of \$20,000; \$5,000 of this amount will be for Mr. Kenen.

(A copy of the memo follows:)

2070' 2787' 777100' 713100'  
THE JEWISH AGENCY FOR ISRAEL

MEMORANDUM

TO: Paul E. Epstein

FROM: Jay D. Lashin

SUBJECT:

June 25, 1958

Please issue a check to the American Zionist Council in the amount of \$20,000. \$5,000 of this amount will be for Mr. Epstein.





THE JEWISH AGENCY, INC.

NO 114154

NEW YORK N.Y. JAN 16, 1950

THE 2200 NICHOLS BLVD

\$20,000.00

AMERICAN SIOGNET COUNCIL

THE JEWISH AGENCY

AMERICAN SIOGNET COUNCIL  
310 FIFTH AVENUE, NEW YORK, N.Y.

*Joseph D. Shekel*

THE JEWISH AGENCY, INC.

AMERICAN SIOGNET COUNCIL  
310 FIFTH AVENUE, NEW YORK, N.Y.

~~412-2200~~

A/c Shekel

20,000.00

The CHAIRMAN. How do you interpret that?

Mr. HAMMER. I would say that this might well have been our desire to enable the American Zionist Council to purchase subscriptions to Mr. Kenen's newsletter or to facilitate his making speeches or whatever else he might have been doing for the American Zionist Council, and this was it.

The CHAIRMAN. Why didn't you pay Mr. Kenen directly the \$5,000 rather than through the American Zionist Council?

Mr. HAMMER. Because the Jewish Agency, if I may, Senator, explain, is a big sprawling organization and what we were attempting to do was to avoid overexpansion and to build up a tremendous administrative machine. What we were attempting to do was to support such organizations as would effectively do a broad job which we thought would be helpful to us.

Senator SYMINGTON. Will the Chair yield?

The CHAIRMAN. Yes.

Senator SYMINGTON. Inasmuch as this Mr. Kenen was not working for you and was working for the American Zionist Society, and inasmuch as you knew what Mr. Kenen's activities were in general, wouldn't it be logical for you to say, "\$5,000 to the Kenen activity," letting them take the responsibility, because they had the authority of employing him, as to how he spent the money in the general overall undertaking?

Mr. HAMMER. That is exactly right, sir.

#### QUESTION OF CAMPAIGN CONTRIBUTIONS

Senator SYMINGTON. Thank you.

I would like to ask one more question, because it has come up before in these hearings.

Has this organization of yours ever made any contributions to the campaigns of any Senators?

Mr. HAMMER. I can state categorically that we have not; never paid one cent as a contribution to any political campaign of Senators, Congressmen or anyone else.

Senator SYMINGTON. Has there ever been any understanding between you and Mr. Kenen, or anybody else, that any money you supplied would be for the promotion of any campaign?

Mr. HAMMER. No, sir.

Senator SYMINGTON. In any way, directly or indirectly?

Mr. HAMMER. No, sir, never any such understanding.

Senator SYMINGTON. Thank you.

The CHAIRMAN. Do you know whether Mr. Kenen received any other payments for his services other than the \$20,000, apparently \$20,000 he received from the American Zionist Council?

Mr. HAMMER. I do not know, sir.

The CHAIRMAN. Do you know whether or not he worked full time for the American Zionist Council?

Mr. HAMMER. I would have no way of knowing, sir.

In view of the fact that he was publishing this news bulletin, I would not think so. I don't know, sir.

The CHAIRMAN. You think that is probably a full-time job?

Mr. HAMMER. For the American Zionist Council?

# 1260 ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S.

The CHAIRMAN. Yes.

Mr. HAMMER. I would not think so.

The CHAIRMAN. You would not.

Mr. HAMMER. I am not even certain, sir.

The CHAIRMAN. You may not know, I just wondered if you did. We can ask Mr. Kenen.

Mr. HAMMER. I don't even know the fact that \$5,000 is indicated here necessarily means that \$20,000 was paid to him. I have no such knowledge, sir.

The CHAIRMAN. Well, the other letter indicated, it said a quarterly payment of \$5,000. This particular memorandum merely confirms the previous letter that we read. This was a year later approximately, wasn't it?

Mr. HAMMER. Approximately a year later.

The CHAIRMAN. It indicates that your organization allocated \$5,000 specifically for Mr. Kenen, doesn't it?

Mr. HAMMER. It would simply mean that possibly there had been asked, "Wouldn't we possibly do something to facilitate the making available of funds," and within this thing said--

The CHAIRMAN. As the memorandum says, "Five of this shall go to Mr. Kenen." Doesn't it?

Mr. HAMMER. That is what it says.

## LETTER CONTAINING PERIODIC ACCOUNTING TO THE JEWISH AGENCY BY THE AZC

The CHAIRMAN. That is what it says. That will be put in the record.

I show you a copy of a letter dated March 5, 1958, addressed to Mr. Gottlieb Hammer, and signed Rabbi Jerome Unger and ask you if you received this letter.

Did you receive that?

Mr. HAMMER. I assume I did receive that, yes, sir.

(Copy of the letter referred to follows:)

AMERICAN ZIONIST COUNCIL,  
New York, N.Y., March 5, 1958.

MR. GOTTLIEB HAMMER,  
Jewish Agency for Israel,  
16 East 66th Street,  
New York, N.Y.

DEAR GOTTLIEB: Below is the accounting due March 1, 1958. I need not add that the total still comes high. You can see for yourself, however, that half of it is the result of a large balance still due to us and three items that are not regularly part of our budgeted expenses. Our own actual monthly allocation is considerably less than half the total. I wish that we could get our payments down to the level of just this regular monthly allocation.

|                                      |               |
|--------------------------------------|---------------|
| Due February 1, 1958                 | \$116,000. 78 |
| Received in February 1958            | 63,500. 00    |
| Unpaid balance still due             | 52,500. 78    |
| Regular allocation for March 1958    | 54,652. 15    |
| Department of Education and Culture: |               |
| Hebrew Culture Committee (Lapson)    | \$833. 00     |
| Choral Society                       | 100. 00       |
| Histadrut Ivrit                      | 5,000. 00     |
| Total                                | 6,023. 00     |

# ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S. 1261

## Unbudgeted expenses:

|                                   |            |             |
|-----------------------------------|------------|-------------|
| Extraordinary expenses            | \$5,000.00 |             |
| Council on Middle Eastern Affairs | 6,000.00   | \$11,000.00 |
| Total                             |            | 11,000.00   |
| Total due March 1, 1958           |            | 124,175.93  |

Of course we shall appreciate the speedy completion of the payment of the total listed above.

With warm personal regards, I am

Sincerely yours,

Rabbi JEROME UNGER,  
Executive Director.

The CHAIRMAN. Well, there is no reason to doubt it?

Mr. HAMMER. I have no reason to doubt it. I am not disclaiming it.

## COUNCIL ON MIDDLE EASTERN AFFAIRS

The CHAIRMAN. This is a periodic accounting to the Jewish Agency by the American Zionist Council for February 1958. I call your attention to the item in the middle of the first page which reads:

Council on Middle Eastern Affairs, \$6,000.

Could you tell us what is the Council on Middle Eastern Affairs?

Mr. HAMMER. The Council on Middle Eastern Affairs is a group which publishes a scholarly publication devoted to various subjects dealing with the Middle East. It consists of a group of educators at various American universities and is headed by a man by the name of Dr. Shwadran.

Mr. Chairman, if I may, I would like to offer you for the record a copy of this publication; I believe we have some with us or perhaps counsel has.

The CHAIRMAN. I notice this says unbudgeted expense. Why would that be an unbudgeted expense?

Mr. HAMMER. It is entirely possible that at the beginning of the year, and this is an assumption on my part, Senator, at the beginning of the year, when they discussed their general total allocation from the Jewish Agency, they did not include these items and it is also possible that during the year someone had an afterthought and came forward with an idea that it would be useful and desirable to make an allocation for a publication which was regarded as a scholarly and worthwhile effort.

Incidentally, if I may, Senator, I should like to say that while Rabbi Unger is a very nice fellow and knows more about the Bible than I do, his use of the accounting, the term "accounting," leaves much to be desired because what he has here really is merely a documentation of a request for funds.

He simply shows how much he should have gotten and how much he did get, and what he wants, and says he would appreciate the speedy completion of the payment of the total listed above. This is just another periodic dunning by Rabbi Unger for sums due the American Zionist Council.

The CHAIRMAN. Of course, I assume Rabbi Unger, dealing with such large sums, had a competent accountant to assist him. He didn't do all of this personally, did he?

Mr. HAMMER. Well, he was always worried about having money available.

The CHAIRMAN. Well, aren't we all?

Mr. HAMMER. It is a chronic problem.

The CHAIRMAN. Yes.

Was that one of the American Zionist Council's regular activities—to support the Council on Middle Eastern Affairs?

Mr. HAMMER. Mr. Chairman, I would not know whether this was a regular part of its budget but it would appear to me that this would certainly fall within the general framework of the activities of the American Zionist Council which we would want to see advanced, that we would look upon with favor.

The CHAIRMAN. Was this amount of \$6,000 that was reimbursed by your Agency to the American Zionist Council?

Mr. HAMMER. I would say that over a period of time the total amount requested by the Council was paid over to them.

The CHAIRMAN. Well, this specific account was approved, was it not?

Mr. HAMMER. Yes.

#### SUBSIDIZATION OF COUNCIL ON MIDDLE EASTERN AFFAIRS THROUGH THE AZC

The CHAIRMAN. Again, I ask you what was the reason for making these payments through the American Zionist Council rather than directly to the Council on Middle Eastern Affairs.

Mr. HAMMER. We did it directly through the American Zionist Council or if there had been no Zionist Council we would have urged domestic groups here to form one only because they were better equipped to carry on this broad program of information and education and this broad program of attempting to rally support for the cause of Israel and for the cause of refugee immigration much better than we could.

They were equipped to do it. They had representatives all over the United States. The American Zionist Council is made up of domestic—

The CHAIRMAN. I understand that, but the Council on Middle Eastern Affairs was in being, and it was doing the job. Why didn't you subsidize them directly rather than indirectly through the American Zionist Council? I don't understand quite why this was not a direct payment from you rather than—this entailed, it seemed to me, more unusual bookkeeping than necessary. I don't quite understand the motive for this procedure.

Mr. HAMMER. Well, Senator, it was one way of attempting to give the American Zionist Council increased stature, increased prestige, as the organization which is doing this overall job, and we had a general rule of not getting involved to the extent possible in detailed operations. We tried to make a distinction between a wholesale job and a retail job. There was another area, for example, in the field of education and culture, where we attempted to do various things in the field of Hebrew culture and Hebrew language study and other things, by making grants to existing organizations and let them do the retail job rather than our getting involved in this area in which we had no competence.

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QUESTIONS ON THE COLLECTION AND DISTRIBUTION OF MONEY

Senator SYMINGTON. If the chair will yield, in effect you were a collection agency, were you not?

Mr. HAMMER. We were a recipient agency.

Senator SYMINGTON. Well, you were getting as much money as you could in order to help the State of Israel, believing in the reasons for the State of Israel?

Mr. HAMMER. That is correct, sir.

Senator SYMINGTON. All right. There is an organization called the American Zionist Council, which has prominent Jews all over the United States on its board of directors.

Mr. HAMMER. That is correct.

Senator SYMINGTON. And their aim was to influence as many people as possible, on a proper basis, and interest them in the cause of Israel; is that correct?

Mr. HAMMER. That is right, sir.

Senator SYMINGTON. And they would go, politically speaking, right down into the wards to sell the ideas of this new State as a refuge for people in distress?

Mr. HAMMER. Yes, sir.

Senator SYMINGTON. So you collected money. You say you were the recipient; I think you were more than the recipient. You asked for the money to be given to you. When the money was given to you, the distribution and use of the money was turned over to the American Zionist Council; is that correct?

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

Senator SYMINGTON. I must say that seems a logical way of handing the collection and distribution of the money.

Now, one other point. Except for salaries in order to live, there was no profit in any of these transactions that you know of. Are you under oath at this time?

Mr. HAMMER. I am under oath, sir.

Senator SYMINGTON. There was no profit, there was no cut of any kind by any group of people. The whole idea was fundamentally an eleemosynary idea, in order to promote the betterment of these unfortunate people?

Mr. HAMMER. That is correct.

Senator SYMINGTON. Thank you, Mr. Chairman.

EFFECT OF DIRECT PAYMENT TO COUNCIL ON MIDDLE EASTERN AFFAIRS

The CHAIRMAN. If I may say to the Senator from Missouri, the effect would have been this: if they had paid directly the Council on Middle Eastern Affairs the \$6,000, their publications under the law would have had to bear a notification that, and a notice that, this is prepared by, paid for by, a foreign agent; but doing it through this other affiliated organization, which they supported, it was at least interpreted that it did not have to carry this.

This would be true and be the same with Mr. Kenen's publication. You understand if they, being the foreign agent, had paid him directly every one of his letters would have to bear a notation on it if it complied with the law that this is published with assistance from a foreign agent.

Do you see the difference?



Senator SYMINGTON. I do, Mr. Chairman, and I think I can see there may have been some technical violation, entirely in order if the committee pointed it out.

The CHAIRMAN. That is what we are interested in, trying to discover how these agents operate.

Do you understand what the point of these questions is now? I am not trying to do other than that.

Senator SYMINGTON. I do understand. But it seems to me the broad policy aspect of collection, reciprocity to distribute in the interests of the State of Israel, is a matter of common knowledge in the United States.

I have been to bond-raising dinners. If there has been a violation it has been a technical violation. The more I hear, the more I think we ought to have somebody from the Department of Justice to explain why they have not been more interested in the details, not only of this case but some of the other cases before the committee. I am not in any way criticizing the questioning, but just want to get clear in my mind what the setup is from the standpoint of obligation under the law. The setup, as I get it, is this: that this group of people, who include some of the finest people in my State who I am sure would not knowingly do anything wrong, as Senator Humphrey mentioned his doctor friend in Minnesota, have been getting this money and distributing it to the American Zionist Council to use; and if there has been technical violation, certainly the committee is to be commended for bringing it out, and the matter should be corrected in the future.

Mr. BOUKSTEIN. Mr. Chairman, may I make a comment with specific reference to the Middle Eastern Affairs?

The CHAIRMAN. Yes.

Mr. BOUKSTEIN. It is my judgment, Mr. Chairman, that this particular publication would be exempt under the exempt provisions of—the exemption provisions of the act as a scholastic publication. I think that and being who you are, Mr. Chairman, former president of a university and interested in scholarship, if you would look through the editorial board and look through the table of contents of the various publications, I think you would support that conclusion.

I am speaking specifically of this magazine, Mr. Chairman.

The CHAIRMAN. Well, I will say for the record that it is not my function certainly at this or perhaps any other time to pass upon that question as to the nature of the publications of these agencies. The point that is of interest to the committee is the operation of the Foreign Agents Registration Act: whether or not publications which they subsidize carry this notification as to its origin. I would assume, without reading it, that these publications were not unfavorable to the cause of Israel or you wouldn't have paid for them.

Mr. BOUKSTEIN. Mr. Chairman—

The CHAIRMAN. I don't criticize that. I think that is perfectly proper and I am not saying that any of this is illegal. What we are trying to do is to discover how it operates. I would say that since this law has been on the books no committee that I know of or no one else has paid any attention as to the way it operates and it may be that the law is unnecessary and ought to be repealed, but it is of interest since

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we have undertaken these studies to see just how it operates and that is about all we are presently engaged in trying to discover.

Mr. HAMMER. I realize that.

The CHAIRMAN. And the assumption that this is illegal or that anything is wrong with it is premature, certainly to say the least. It is premature. The fact we are trying to ascertain is, did your Agency pay for the Council on Middle Eastern Affairs publication and, if it did, that is that. I don't know what the implications of that may be. This same thing was true with Mr. Kenen. That is all at this time that we are interested in.

Senator SYMINGTON. I will bet there are things in that publication more favorable to Israel than in the pamphlets I get about every week from the United Arab Republic on the same subject.

The CHAIRMAN. Are those publications you received labeled as coming from the Arab League?

Senator SYMINGTON. I don't know, but I will look next time.

Mr. BORKSTEIN. Mr. Chairman, I was motivated in saying what I said before —

#### PURPOSE OF "EXTRAORDINARY EXPENSES"

The CHAIRMAN. Just to complete it then, do you, Mr. Hammer, know what the "extraordinary expenses" of \$5,000 was in that document?

Mr. HAMMER. I do not know, sir.

The CHAIRMAN. Do you know if it was paid by the Agency?

Mr. HAMMER. I must assume that eventually all of this money listed was paid.

#### MEMO NOTING \$1,000 PAYMENT TO AZC

The CHAIRMAN. I offer for the record and you can just identify it, another memorandum to Fannie Speiser from Jay D. Leshin, whom you have already identified.

If you will identify it for the record.

Mr. HAMMER. Yes, sir.

The CHAIRMAN. Just read it for the record.

(Copy of document is as follows:)

Fo  
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(A

MEMORANDUM  
TO: DIRECTOR, DIVISION OF INVESTIGATION  
FROM: JAY D. LESHIN  
SUBJECT: THE JEWISH AGENCY FOR ISRAEL

MEMORANDUM

TO: Fannie Spelzer

FROM: Jay D. Leshin

June 20, 1953

Please issue a check immediately to the American Zionist Council amount of \$4,000.

This is for Schindler for the month of June.

Please let us have the check for forwarding.

For the record this is a memorandum to Fannie Speiser from Jay D. Leshin, dated June 20, 1958:

Please issue a check immediately to the American Zionist Council in the amount of \$4,000. This is for Schwadron (sic) for the month of June.

Please let me have the check for forwarding.

(A copy of the check issued is as follows:)

THE NEW YORK TIMES

NEW YORK, N. Y., January 10, 1944

TO THE EDITOR

AMERICAN SOCIETY FOR THE

THE AMERICAN TRUST COMPANY

NEW YORK, N. Y.

Very truly yours,

# ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S. 1269

## ADDITIONAL PERIODIC ACCOUNTING BY AZC TO THE JEWISH AGENCY

The CHAIRMAN. I show you copies of three letters dated April 1, 1958, May 5, 1958, and June 6, 1958, all addressed to Mr. Gottlieb Hammer and signed "Rabbi Jerome Unger," and ask you if you received these letters.

Mr. HAMMER. Yes, sir.

(Copies of the letters are as follows:)

AMERICAN ZIONIST COUNCIL,  
New York, N.Y., April 1, 1958.

Mr. GOTTLIEB HAMMER,  
Jewish Agency for Israel,  
New York, N.Y.

DEAR GOTTLIEB: Below is the accounting due on April 1, 1958:

|  |              |
|--|--------------|
| Due March 1, 1958                            | \$124,175.93 |
| Paid by Jewish Agency for AZC account        | 714.54       |
| Balance due March 1, 1958                    | 123,461.39   |
| Received during March 1958                   | 56,000.00    |
| Unpaid balance still due                     | 67,461.39    |
| Regular allocation for April 1958*           | 56,079.60    |
| Department of Education and Culture:         |              |
| Hebrew Culture Committee (Lapson)            | \$833.00     |
| Choral Society                               | 190.00       |
|  | 1,023.00     |
| Council on Middle Eastern Affairs (March)    | 4,000.00     |
| 6 Months' interest on loan (10/1/57-3/31/58) | 700.00       |
| Total due April 1, 1958                      | 129,263.99   |

\*The regular allocation as budgeted for the 6 months' period ending March 31, 1958, is continuing into this new fiscal year because of 2 reasons: (1) It is impossible to make the changeover from 1 budget to another automatically; (2) the undetermined state of the new budget. Therefore, as soon as the budget is finally determined, we shall adjust the monthly allocations and the accounting discrepancies.

Once again I wish to point out that over half of the total due the AZC on April 1, 1958, is the unpaid balance from past months. This, together with certain unbudgeted items, brings the total to a high figure which is not truly representative of our actual budget. May I urge payment of the outstanding balance as quickly as possible.

With best wishes for a joyous Passover, I am  
Sincerely yours,

RABBI JEROME UNGER,  
Executive Director.

AMERICAN ZIONIST COUNCIL,  
New York, N.Y., May 5, 1958.

Mr. GOTTLIEB HAMMER,  
Jewish Agency for Israel,  
New York, N.Y.

DEAR GOTTLIEB: Below is the accounting due on May 1, 1958.

|                                  |              |
|----------------------------------|--------------|
| Due April 1, 1958                | \$129,263.08 |
| Received in April 1958           | 68,400.00    |
| Unpaid balance still due         | 60,863.08    |
| Regular allocation for May 1958* | 55,150.00    |

\*I repeat the statement I made in my accounting to you of April 1: The regular allocation is budgeted for the six months period ending March 31, is continuing into this new fiscal year until the final amount of our budget for the year beginning April 1, 1958, is determined. As soon as that is settled we shall make the adjustment in the figures.



# 1270 ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S.

|  |                    |
|--|--------------------|
| Department of Education and Culture:           |                    |
| Hebrew Culture Committee (Lapson)-----         | \$833. 00          |
| Choral Society**-----                          | 190. 00            |
| Histadruth Ivrit-----                          | 4, 400. 00         |
|  | <hr/> 85, 423. 00  |
| Unbudgeted Expenses:                           |                    |
| Council on Middle Eastern Affairs (April)----- | 4, 000. 00         |
|  | <hr/> 125, 436. 08 |

\*\*This is a final payment, the arrangement having been discontinued in order to reduce costs.

In submitting this accounting you will note the usual circumstance that less than one-half of the amount due to us is for our regular allocation. The rest arises from the heavy unpaid balance due to us and the other items which are not regularly part of our budget. All I can add is, that once the balance is paid you can expect to receive a much reduced bill each month.

With warm regards, I am

Sincerely yours,

RABBI JEROME UNGER,  
*Executive Director.*

AMERICAN ZIONIST COUNCIL,  
*New York, N.Y., June 6, 1958.*

Mr. GOTTLIEB HAMMER,  
*Jewish Agency for Israel,  
New York, N.Y.*

DEAR GOTTLIEB: Below is the accounting due on June 1, 1958.

|  |                         |
|--|-------------------------|
| Due May 1, 1958-----                               | \$125, 436. 08          |
| Received in May 1958-----                          | 62, 000. 00             |
|  | <hr/> 63, 436. 08       |
| Unpaid balance still due-----                      | 63, 436. 08             |
| Regular allocation for June 1958*-----             | 57, 301. 80             |
| Department of Education and Culture:               |                         |
| Hebrew Culture Committee (Lapson)-----             | \$833. 00 ----- 833. 00 |
| Unbudgeted Expenses:                               |                         |
| Council on Middle Eastern Affairs (May on account) | \$2, 000. 00            |
| Extraordinary expenses-----                        | 2, 500. 00              |
|  | <hr/> 4, 500. 00        |
| Total due June 1, 1958-----                        | 126, 070. 88            |

\*I repeat the statement I made in my accounting to you of May 1: The regular allocation as budgeted for the six months period ending March 31, is continuing into this new fiscal year until the final amount of our budget for the year beginning April 1, 1958, is determined. As soon as that is settled we shall make the adjustment in the figures.

In submitting this accounting you will note the usual circumstances that less than one-half of the amount due us is for our regular allocation. The unpaid balances plus the unbudgeted expenses are what account for the major part of the total above. I earnestly hope that payments during June will be sufficient to wipe out all unpaid balances.

With warm regards, I am

Sincerely yours,

Rabbi JEROME UNGER,  
*Executive Director.*

The CHAIRMAN. The letters will be placed in the record. I would just note again that these are periodic accountings by the American Zionist Council to the Jewish Agency, and I will further note that the April letter contains an item of \$4,000 for the Council in Middle Eastern Affairs. The May letter shows \$4,000 for the same Council on Middle Eastern Affairs and the June letter shows \$2,000.

I assume that the Agency regularly paid for these items. Could you tell us what this further \$10,000 in payments to the Council was for?

In other words, your Agency regularly supported the Council, I would take it, is that not correct?

Mr. HAMMER. I would say that sometime after the close of the previous fiscal year, budget year, the question of the American Zionist Council supporting the Council on Middle Eastern Affairs, occurred, it was added on. The Agency thoroughly approved of this publication, thoroughly approved of the support extended by the American Zionist Council to the Council on Middle Eastern Affairs, and included this charge in the payments made to the American Zionist Council in the furtherance of this program.

The CHAIRMAN. Do you know whether the Council on Middle Eastern Affairs received any funds from any other source than this?

Mr. HAMMER. Yes, sir. I would assume they did receive. It was a publication. I do know of some support they did get from private sources, from individuals, from foundations, who thought highly of the publication.

The CHAIRMAN. Do you know what their annual budget was?

Mr. HAMMER. I do not know, sir.

RABINOWITZ FOUNDATION

The CHAIRMAN. I show you a copy of a letter dated August 18, 1958, addressed to Mr. Gottlieb Hammer and signed Rabbi Jerome Unger and ask you if you received this letter?

Mr. HAMMER. I beg your pardon, Mr. Chairman? There are two letters here, one is dated August 18, 1958, and the other one is September 11.

The CHAIRMAN. They are stuck together. You received both letters?

Mr. HAMMER. Yes, sir.

(Copies of the documents are as follows:)

AMERICAN ZIONIST COUNCIL,  
New York, N.Y., August 18, 1958.

Mr. GOTTLIEB HAMMER,  
Jewish Agency for Israel,  
New York, N.Y.

DEAR GOTTLIEB: It had been my hope, as I wrote in my memorandum dated August 6 to Jay Leshin, that the regular monthly accounting due on August 1 would be on the basis of the final budget as reached at our meeting of July 18. Unfortunately, I am still awaiting upon the return of Avraham Schenker for the final figures on the Youth budget which are, of course, incorporated in our regular monthly allocation. In his absence, and because I lack those figures, I am once again submitting an accounting based on the old figures. As soon as the new ones are available and settled, we shall make the required adjustment.

Below, therefore, is the accounting normally due on August 1 but delayed for the reasons stated above:

|                                    |                        |
|------------------------------------|------------------------|
| Due July 1, 1958                   | \$117,939.38           |
| Received in July 1958              | 67,000.00              |
| Unpaid Balance Still Due           | 50,939.38              |
| Regular allocation for August 1958 | 56,982.69              |
| Department of Education & Culture: |                        |
| Hebrew Culture Committee (Lapson)  | \$833.00      833.00   |
| Unbudgeted Expenses:               |                        |
| Rabinowitz Foundation (July)       | 4,000.00               |
| Extraordinary Expenses             | 5,000.00      9,000.00 |
| Total due Aug. 1, 1958             | 117,755.07             |

# 1272 ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S.

I must once again point out that in addition to the adjustment which will be made when the final budgetary figures are established, more than one-half of the total required above is the result of an unpaid balance plus items not a part of the regular Council budget. I do hope that on September 1 when we shall submit the adjusted figures there will have been paid to us, however, enough to wipe out the unpaid balances so that we may operate on our regular allocations.

With warm regards, I am

Sincerely yours,

Rabbi JEROME UNGER, *Executive Director.*

AMERICAN ZIONIST COUNCIL,  
New York, N.Y., September 11, 1958.

MR. GOTTLIEB HAMMER,  
*Jewish Agency for Israel,*  
New York, N.Y.

DEAR GOTTLIEB: Below is the accounting regularly due on September 1, but which was held up this month until Rabbi Miller and I could meet with Avraham Schenker and bring to a conclusion all matters pertaining to the Youth Department budget.

You will recall that in my previous monthly accountings I pointed to the fact that an adjustment would have to be made in the figures submitted as soon as we had finalized the Youth budget. That has now been done at the figure of \$86,500. Although you say, in your accounting, keep this as a separate item from AZC, we, on the other hand, must incorporate this with our own accounting in order to operate properly. Thus, the AZC budget of \$500,000, agreed to on July 18, plus the \$86,500 of the youth budget, comes to a total of \$586,500 or a monthly allocation of \$48,875.00. This last figure should have been the monthly allocation (subject to such additions in unbudgeted items which, from time to time I report to you) charged beginning April 1, 1958. We have been charging, however, at the rate of the old budget: i.e., \$54,497.42 per month, and thus have overcharged you since April 1, \$5,622.42 per month or a total of \$28,112.10. This figure is reflected in the accounting below:

|  |              |
|--|--------------|
| Due August 1, 1958                         | \$117,755.07 |
| Adjustment in budget (see above)           | 28,112.10    |
| Balance due August 1, 1958                 | 89,642.97    |
| Received in August, 1958                   | 54,000.00    |
| Unpaid balance still due                   | 35,642.97    |
| Regular allocation for September, 1958     | 49,971.68    |
| Department of Education & Culture:         |              |
| Hebrew Culture Committee (Lapson)          | \$833        |
| Histadruth Ivrit                           | 3,000        |
|  | 3,833.50     |
| Unbudgeted Expenses:                       |              |
| AZC Seminar in Israel (Org. Dept. of J.A.) | 150          |
| Rabinowitz Foundation (August)             | 4,000        |
|  | 4,150.00     |
| Total due September 1, 1958                | 93,597.65    |

Sincerely yours,

Rabbi JEROME UNGER,  
*Executive Director.*

The CHAIRMAN. Take the one of August 18. I notice under "unbudgeted expenses" is the following:

Rabinowitz Foundation July, \$4,000.

What is the Rabinowitz Foundation?

MR. HAMMER. I believe the Rabinowitz Foundation was one of the private groups which contributed money to the Council on Middle Eastern Affairs, and this may well be a reimbursement to the Rabinowitz Foundation of a sum. Sometimes the Council, the American

Zionist Council, was not in position to make its payments promptly or punctually. There may have been an advance by the Rabinowitz Foundation on the understanding that they would be reimbursed.

The CHAIRMAN. What is the general nature of the Rabinowitz Foundation?

Mr. HAMMER. I do not know, sir.

The CHAIRMAN. Is it like the Ford Foundation. I mean—

Mr. HAMMER. I know it was established by a rather wealthy individual, philanthropist, and this was his own personal foundation.

The CHAIRMAN. It had its own funds?

Mr. HAMMER. It had its own funds.

The CHAIRMAN. You didn't support it?

Mr. HAMMER. Oh, no, sir.

The CHAIRMAN. In this case you then think it was a reimbursement for—

Mr. HAMMER. Reimbursement, because of the dates I am assuming that there was this lag.

The CHAIRMAN. So the way you would interpret it rather than being a payment to the Rabinowitz Foundation, it was merely a reimbursement for the payment they had made to the Zionist Council?

Mr. HAMMER. That is correct, sir.

The CHAIRMAN. So that in the end you could say the Council was the recipient rather than the Rabinowitz Foundation, is that correct?

Mr. HAMMER. The Council for Middle Eastern Affairs, yes, sir.

The CHAIRMAN. I notice again the "extraordinary expense, \$5,000."

That seems to be a recurrent amount. What do you think that means?

Mr. HAMMER. I do not know, sir, and I am rather puzzled by it.

Again, Mr. Chairman, I should like to point out—

The CHAIRMAN. I notice, the staff called my attention to the fact, you have the same amount in August of \$4,000, as in this letter of September 11, Rabinowitz Foundation.

Can you supply for the record how much money you did give to the Middle Eastern Council either directly, through the American Zionist Council, or the Rabinowitz Foundation?

Mr. HAMMER. I will attempt to get that figure, sir, from records at my disposal.

(See appendix 1, p. 1408, Item 10.)

#### LETTER NOTING EXPENSES FOR P.R. ITEMS AND NEGRO PROJECT

The CHAIRMAN. I show you a copy of a letter dated October 1, 1958, addressed to Mr. Gottlieb Hammer and signed Rabbi Jerome Unger and ask you if you received this letter.

Mr. HAMMER. It is a rather difficult one to read.

The CHAIRMAN. Here is a better copy.

Mr. HAMMER. Thank you, sir.

The CHAIRMAN. Did you receive that letter?

Mr. HAMMER. Yes, sir; I believe I must have received that letter.

(Copy of the document is as follows:)

OCTOBER 1, 1958.

Mr. GOTTLIEB HAMMER,  
Jewish Agency for Israel,  
New York, N.Y.

DEAR GOTTLIEB: Mr. Bick and I have discussed the matter of the monthly accounting to you best suited to our needs. Accordingly, we have added the amount of \$9,365.42 to the item on the attached letter for the regular monthly allocation of \$48,875.00, resulting in a total of \$58,240.42.

The \$9,365.42 will cover the following items as part of the Special P.R. items:

## Speakers from Israel:

|                         |            |              |
|-------------------------|------------|--------------|
| Nair Bay-Pav-May        | \$742. 82  |              |
| J. Prayer               | 826. 00    |              |
| Taube Travel            | 1, 221. 10 |              |
| Misc. Expenses          | 14. 50     |              |
|                         |            | \$2, 804. 42 |
| Negro Project, V. Mason |            | 600. 00      |

## On ACPC Tour June 1958:

|              |              |            |
|--------------|--------------|------------|
| V. Mason     | \$1, 520. 00 |            |
| D. W. Wagner | 973. 00      |            |
| W. D. Boven  | 917. 00      |            |
| W. H. Cates  | 917. 00      |            |
| S. Weaver    | 917. 00      |            |
| R. Hartford  | 717. 00      |            |
|              |              | 5, 961. 00 |
|              |              | 9, 365. 42 |

With kind regards, I am  
Sincerely yours,

RABBI JEROME UAGER,  
Executive Director.

The CHAIRMAN. That is a further report similar to the others, is that correct?

Mr. HAMMER. I would say so, yes, sir.

The CHAIRMAN. Could you identify for the record the Mr. Bick mentioned?

Mr. HAMMER. Mr. Bick is the treasurer of the American Zionist Council, Mr. Charles Bick.

The CHAIRMAN. You notice the second paragraph reads as follows:

The \$9,365.42 will cover the following items as part of the Special P.R. items.

Were these special P.R. items paid for by the Agency?

Mr. HAMMER. I assume that special P.R. items mean special public relations items and this was part of the general program of the American Zionist Council, and that in due time the total amount of money allocated for the purposes of the American Zionist Council was paid to them, yes, sir.

The CHAIRMAN. Under the second item this heading reads:

Negro Project, V. Mason, \$600.

What was the Negro project?

Mr. HAMMER. I would not know, sir. I have no information on this subject.

The CHAIRMAN. Well, you paid for it. Wouldn't you know what it was if you paid for it?

Mr. HAMMER. I paid the American Zionist Council a total, overall sum. We did not, at least I did not have any specific information on individual items in their budget.

The CHAIRMAN. Do you know who Mr. V. Mason was?

Mr. HAMMER. No, sir.

The CHAIRMAN. So you don't know what the services were they were paying for by this item?

Mr. HAMMER. I would not know, sir.

PURPOSE AND FINANCING OF ACPC TOURS

The CHAIRMAN. Another item reads: "On ACPC Tour June 1958." What is that referring to?

Mr. HAMMER. ACPC are initials standing for American Christian Palestine Committee, and from time to time the American Christian Palestine Committee conducted a tour to Israel and I must assume these were expenses in connection with the tour.

The CHAIRMAN. Tour of whom, what kind of tour?

Mr. HAMMER. A tour to Israel and the Middle East.

The CHAIRMAN. By whom.

Mr. HAMMER. By groups of people invited or selected by the American Christian Palestine Committee.

The CHAIRMAN. Are these private citizens?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. What was the purpose of the tour?

Mr. HAMMER. To show these people conditions in the Middle East so that they would be better informed.

The CHAIRMAN. Do you have any idea how many participated in it?

Mr. HAMMER. No, sir.

The CHAIRMAN. I notice in the ACPC tour, the same Mr. V. Mason appears there as having made it: is that correct?

Mr. HAMMER. Yes, sir; it appears to be the same name.

The CHAIRMAN. I don't know whether it is Mr. or Miss; do you know?

Mr. HAMMER. I wouldn't know.

The CHAIRMAN. Why did the Jewish Agency finance these tours? What was the purpose of them?

Mr. HAMMER. Specifically we were not asked to give approval to tours. On the general program of inviting people who are leaders in their particular fields of endeavor, to visit Israel to see at firsthand was always regarded by the Jewish Agency as a worthwhile project. This is being done all the time, the idea or the thought being that if people who are influential in their own fields will visit Israel and see for themselves that it is not necessary then to attempt to influence them. They will form their own judgments. They may write articles or make speeches or do other things which will be helpful to the general problem of assisting the Jewish Agency in the job of generating a favorable climate and good public opinion for the work we do.

The CHAIRMAN. Was this expenditure reported in your reports to the Justice Department as part of your activities as a foreign agent?

Mr. HAMMER. No, sir. Because this expenditure was included in the total amount which we paid to the American Zionist Council, which, in turn, was included in the total amount shown on the reports to the Justice Department under the designation of grants to affiliated organizations.



# 1276 ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S.

LETTER OF JANUARY 6, 1959

The CHAIRMAN. I show you a copy of a letter dated January 6, 1959, addressed to Mr. Gottlieb Hammer and signed Rabbi Jerome Unger and ask you if you received this letter.

Mr. HAMMER. Yes, sir.

The CHAIRMAN. I will just put it in the record.

(A copy of the document is as follows:)

AMERICAN ZIONIST COUNCIL,  
New York, N.Y., January 6, 1959.

Mr. GOTTLIEB HAMMER,  
Jewish Agency for Israel,  
New York, N.Y.

DEAR GOTTLIEB: Below is the usual monthly statement of the situation on funds between us. I know that there is a dispute concerning the basic budget. The accounting below does not include any adjustment since my letter of September 11, 1958, at which time the understanding was that the basic budget was set at \$500,000 per annum and the youth budget at \$86,500, making a total of \$586,500 and a monthly allocation of \$48,875. If discussions now result in any change in these basic figures I shall send you a supplementary note confirming such changes and making the necessary adjustment.

|   |              |
|---|--------------|
| Due December 1, 1958                          | \$114,384.65 |
| Paid out by Jewish Agency for AZC Account     | 1,105.26     |
| Balance due December 1, 1958                  | 113,279.59   |
| Received in December 1958                     | 65,000.00    |
| Unpaid balance still due                      | 48,279.39    |
| Regular allocation for January 1959           | 52,833.82    |
| Department of Education and Culture:          |              |
| Hebrew Culture Committee (Lapson)             | 583.55       |
| Unbudgeted expenses:                          |              |
| Rabinowitz Foundation (November and December) | 8,000.00     |
| Near East Report                              | 4,000.00     |
| Total   | 12,000.00    |
| Total due January 1, 1959                     | 113,696.76   |

With warm regards, I am

Sincerely yours,

Rabbi JEROME UNGER,  
Executive Director.

## LETTER NOTING REQUEST FOR REIMBURSEMENT FOR AZC PAYMENT TO RABINOWITZ FOUNDATION

The CHAIRMAN. I note for the record that this again has an item the Rabinowitz Foundation here is reported as having received an allocation of \$8,000 from the American Zionist Council for which reimbursement is requested. The next unbudgeted expense reads:

Near East Report, \$4,000.

I wonder who is Mr. Lapson there under the item of Hebrew Culture Committee?

Mr. HAMMER. Mr. Lapson is the director of the Hebrew Culture Committee.

# ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S. 1277

LETTER OF FEBRUARY 18, 1959

The CHAIRMAN. I show you a letter dated February 18, 1959, addressed to Mr. Gottlieb Hammer and signed Rabbi Jerome Unger and ask you if you received this letter.

Did you receive that letter, sir?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. I will just place the letter in the record.

(A copy of the letter is as follows:)

FEBRUARY 18, 1959.

Mr. GOTTLIEB HAMMER,  
Jewish Agency for Israel,  
New York, N.Y.

DEAR GOTTLIEB: This will confirm the discussion which we had on February 16, 1959, among Mrs. Halprin, yourself, Rabbi Miller, Mr. Bick, and myself in which we arrived at certain budgetary decisions.

Taking note of the fact that two-thirds of our budget goes for salaries, fees, and irreducible fixed items, we agreed to a reduction of the basic budget for the fiscal year, April 1, 1958, through March 31, 1959, from \$500,000 to \$460,000, representing, therefore, an actual cut in our functional budget of over 20 percent. This also takes into account the fact that we have been absorbing the cost of [illegible] for over 6 months, primarily through accepting [illegible] on our payroll.

This basic budget of \$460,000, is exclusive, of course, of the \$86,500, for the Youth Department and various unbudgeted items. In the usual monthly accounting, due on February 1st, I shall deduct from the total of \$460,000, those amounts paid to us through December 31, 1958. The resultant balance will be the sum still due to us for the months of January, February, and March, 1959, as our regular monthly allocation.

In the next few weeks, I assure you that our Finance Committee and I will diligently seek to review our entire operations and strive not only to hold the line, but to reduce expenditures and thereby realign the budget wherever it is feasible.

With warm regards, I am,

Cordially yours,

Rabbi JEROME UNGER.  
Executive Director.

## LETTER STATING AZC BUDGET

The CHAIRMAN. This states that the Jewish Agency contributed \$460,000 in the fiscal year April 1, 1958, to March 31, 1959, to the American Zionist Council budget exclusive of unbudgeted items and \$86,500 for the Youth Department.

Were these latter payments made to the Jewish Agency by the American Zionist Council above and beyond the \$460,000?

Mr. HAMMER. I would assume, Mr. Chairman, that these payments were made. I don't have any records at the moment but I am assuming in due time they were paid.

## LETTER DATED JUNE 2, 1959

The CHAIRMAN. Yes. I show you a copy of a letter dated June 2, 1959, addressed to Mr. Gottlieb Hammer and signed Rabbi Jerome Unger and ask you if you received this letter.

We will put it in the record if you acknowledge receipt of it.

Mr. HAMMER. Yes, sir.

The CHAIRMAN. That will go in the record.

(A copy of the letter is as follows:)

# 1278 ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S.

AMERICAN ZIONIST COUNCIL,  
New York, N.Y., June 2, 1959.

Mr. GOTTLIEB HAMMER,  
Jewish Agency for Israel,  
New York, N.Y.

DEAR GOTTLIEB: Below is the regular accounting for the month of June listing a total due to us of \$55,668.84 which is approximately \$10,000 more than our regular monthly allocation, resulting from the various unbudgeted expenses, as you will note.

|                                      |             |
|--------------------------------------|-------------|
| Due May 1, 1959                      | \$59,528.46 |
| Regular allocation for June 1959     | 48,740.38   |
| Department of Education and Culture: |             |
| Hebrew Culture Committee (Lapson)    | \$700.00    |
| Histadruth Ivrit                     | 4,200.00    |
|                                      | 4,900.00    |
| Unbudgeted Expenses:                 |             |
| Rabinowitz Foundation                | 4,000.00    |
| Near East report                     | 5,000.00    |
|                                      | 9,000.00    |
| Total due                            | 122,168.84  |
| Paid during May 1959                 | 66,500.00   |
| Net due June 1, 1959                 | 55,668.84   |

Once again may I say that by paying us the full amount now due we shall be on a current basis. I hope that this can be done.

With cordial regards, I am,  
Sincerely yours,

RABBI JEROME UNGER,  
Executive Director.

LETTER OF AUGUST 10, 1959, NOTING EXPENSES FOR SPECIAL PR ITEMS

The CHAIRMAN. I show you a copy of a letter dated August 10, 1959, addressed to Mr. Gottlieb Hammer and signed by Rabbi Jerome Unger and ask you if you received this letter.

Mr. HAMMER. Yes, sir.

(Copy of the letter is as follows:)

AUGUST 10, 1959.

Mr. GOTTLIEB HAMMER,  
Jewish Agency for Israel,  
New York, N.Y.

DEAR GOTTLIEB: Mr. Bick and I have discussed the matter of the monthly accounting to you best suited to our needs. Accordingly, we have added the amount of \$1,310.99 to the item on the attached letter for the regular monthly allocation of \$45,541.67, resulting in a total of \$46,852.66.

The \$1,310.99 will cover the following items as part of the Special P.R. items:

Speakers from Israel:

|                  |          |
|------------------|----------|
| Wm. Tambe Travel | \$23.32  |
| Lev Landyer      | 51.00    |
| Rachel Tarden    | 354.90   |
| Ferrel Neady     | 103.67   |
| Misc. Expenses   | 4.11     |
|                  | \$537.00 |

Negro Project:

|                |        |
|----------------|--------|
| V. Mason       | 250.00 |
| Misc. Expenses | 23.99  |
|                | 273.99 |

A.A.M.E.S.:

|                    |        |
|--------------------|--------|
| Chicago Conference | 500.00 |
|--------------------|--------|

1,310.99

With kind regards, I am,

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# ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S. 1279

The CHAIRMAN. There is one item, the second paragraph, the "\$1,310.99 will cover the following items as part of the Special P.R. items;" and concludes with an item of "A.A.M.E.S. Chicago Conference \$500."

I just want you to identify what is the A.A.M.E.S., what does that stand for?

Mr. HAMMER. Mr. Chairman, I never heard of those initials before. I am afraid I can't identify them.

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

The CHAIRMAN. Did you ever hear of the American Association for Middle East Studies?

Mr. HAMMER. American Association for Middle East Studies? I must confess, sir, this is a new one on me.

## A.A.M.E.S. CHICAGO CONFERENCE, OCTOBER 5, 1959, LETTER

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

I show you a copy of a letter dated October 5, 1959, addressed to Mr. Gottlieb Hammer and signed Rabbi Jerome Unger and ask you if you received this letter. You will note it also has A.A.M.E.S. Chicago Conference \$1,200.

I thought you might enlighten us as to what that means.

(A copy of the letter is as follows:)

OCTOBER 5, 1959.

Mr. GOTTLIEB HAMMER,  
Jewish Agency for Israel,  
New York, N.Y.

DEAR GOTTLIEB: Mr. Bick and I have discussed the matter of the monthly accounting to you best suited to our needs. Accordingly, we have added the amount of \$2,499.54 to the item on the attached letter for the regular monthly allocation of \$45,541.67, resulting in a total of \$48,041.21.

The \$2,499.54 will cover the following items as part of the Special P.R. items:

|                                |           |
|--------------------------------|-----------|
| Speakers from Israel:          |           |
| R. Yarden                      | \$76. 85  |
| Taube Travel Agency            | 966. 69   |
| Misc. Expenses                 | 6. 00     |
| Total                          | 1,049. 54 |
| Negro Project: V. Mason        | 250. 00   |
| A.A.M.E.S.: Chicago Conference | 1,200. 00 |
| Total                          | 2,499. 54 |

With kind regards, I am  
Sincerely yours,

Rabbi JEROME UNGER,  
Executive Director.

AMERICAN ZIONIST COUNCIL,  
New York, N.Y., October 5, 1959.

Mr. GOTTLIEB HAMMER,  
Jewish Agency for Israel,  
New York, N.Y.

DEAR GOTTLIEB: In connection with the regular monthly accounting below, I want to point out that of the total due October 1, 1959, \$58,092.79, \$13,000.00 is not part of our regular budget. Were it not for this sum, we would be on a normal budgetary basis. We anticipate also that during October we shall have to lay out certain sums for this continuing unbudgeted expense which, because

# 1280 ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S.

of the fact that we lay it out in advance, always reduces our operating funds. I therefore urge that the payments during October be sufficient at least to cover the total due us—\$58,092.79—so that we can come to the end of the month on an even keel.

|   |          |             |
|---|----------|-------------|
| Due September 1, 1959                             |          | \$50,083.14 |
| Less amount paid by Jewish Agency for AZC Account |          | 1,481.56    |
| Net due September 1, 1959                         |          | 48,601.58   |
| Regular allocation for October 1959               |          | 48,041.21   |
| Interest on loan to Jewish Agency 4/1/59-9/30/59  |          | 700.00      |
| Department of Education and Culture:              |          |             |
| Hebrew Culture Committee (Lapson)                 | \$750.00 |             |
| Histadruth Ivrit                                  | 3,000.00 | 3,750.00    |
| Unbudgeted Expenses:                              |          |             |
| Rabinowitz Foundation (Sept.)                     | 4,000.00 | 6,000.00    |
| Extraordinary Unbudgeted Expenses                 | 2,000.00 | 6,000.00    |
| Total due   |          | 107,092.79  |
| Received in September                             |          | 49,000.00   |
| Net due October 1, 1959                           |          | 58,092.79   |

With kindest personal regards, I am  
Sincerely yours,

Rabbi JEROME UNGER,  
Executive Director.

Mr. HAMMER. I am afraid, sir, I have no information on that. I don't recall it.

The CHAIRMAN. Would the American Zionist Council have that information?

Mr. HAMMER. I must assume they would have that information if they spent it.

The CHAIRMAN. You reimbursed them for it, however?

Mr. HAMMER. As part of a general program of activities.

## LETTER OF APRIL 15, 1960

The CHAIRMAN. I show you a letter, a copy of a letter dated April 15, 1960, addressed to Mr. Gottlieb Hammer and signed Rabbi Jerome Unger and ask you if you received this letter?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. I will place that letter in the record.

(The letter referred to follows:)

AMERICAN ZIONIST COUNCIL,  
New York N.Y., April 15, 1960.

Mr. GOTTLIEB HAMMER,  
New York, N.Y.

DEAR GOTTLIEB: In lieu of the usual monthly accounting that I gave you hitherto, I present below the final figures for the fiscal year ending March 31, 1960:

|   |             |
|---|-------------|
| Balance due to AZC, 3/1/60                | \$71,553.51 |
| Paid out by Jewish Agency for AZC account | 1,591.11    |
| Net balance due AZC, 3/1/60               | 69,962.40   |
| 6 months interest on loan                 | 700.00      |

# ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S. 1281

## Unbudgeted Expenses:

|                                      |            |
|--------------------------------------|------------|
| Education and Culture (Lapson) ..... | \$1,520.00 |
| Histadruth Ivrit .....               | 4,000.00   |

|                                     |          |
|-------------------------------------|----------|
| Total .....                         | 5,520    |
| Rabinowitz Foundation .....         | 6,000.00 |
| Near East Report and Services ..... | 4,000.00 |

|             |           |
|-------------|-----------|
| Total ..... | 15,520.00 |
|-------------|-----------|

## Certain Items Advanced by AZC:

|  |          |
|--|----------|
| Negro Community Work .....             | 335.25   |
| American Assoc. for M.E. Studies ..... | 600.00   |
| Speakers' Program .....                | 2,964.08 |

|             |          |
|-------------|----------|
| Total ..... | 3,899.33 |
|-------------|----------|

|   |           |
|---|-----------|
| Total due AZC .....   | 90,081.73 |
| Received through April 7, 1960, on account of fiscal year ending March 31, 1960 ..... | 84,500.00 |

|                         |            |
|-------------------------|------------|
| Balance still due ..... | \$5,581.73 |
|-------------------------|------------|

In addition to the sum of \$5,581.73 noted above as still due to the American Zionist Council on the balance for the fiscal year ending March 31, 1960, I must call to your attention that during the month of April, thus far, we have received absolutely nothing on the account of the new fiscal year. As a result, our accounts are in deficit. In other words, we are unable to pay bills and shall be unable to meet payroll expenses.

Pending new arrangements for the fiscal year beginning April 1, 1960, may I urge that every effort be made to remit to us enough monies at least to cover payroll and minimum estimating expenses.

With kindest regards, I am  
Sincerely yours,

Rabbi JEROME UNGER,  
Executive Director.

## NEAR EAST REPORT AND SERVICES

The CHAIRMAN. I notice this refers to expenses by the American Zionist Council prior to March 1960. Here you also have \$6,000 for the Rabinowitz Foundation and \$4,000 for Near East Report and services. Is this Near East Report and services—is that Mr. I. L. Kenen?

Mr. HAMMER. That is correct, sir.

The CHAIRMAN. Is that for not only the Near East Report but also his services?

Mr. HAMMER. I would not know, sir.

The CHAIRMAN. That is what it says in the report. It says Near East Report and services.

Mr. HAMMER. I would not know the nature of the services performed by Mr. Kenen for the American Zionist Council.

The CHAIRMAN. Here it spells out, you will notice in the next item it says certain items advanced by AZC—Negro community work, \$335.25. What does that refer to?

Mr. HAMMER. I would not know, sir.

The CHAIRMAN. And again the next one, "American Association for M.E. Studies," that is the one we referred to a moment ago. I notice you have a speaker's program, what does that mean?



Mr. HAMMER. The American Zionist Council maintained a speaker's bureau and serviced clubs all around the country; that is, they serviced requests by clubs all around the country, church groups, Rotary Clubs, women's organizations, and this item refers to the expenses of that speaker's program. That was one activity. They had a number of speaker's programs, and which one this is, I am not quite certain. They also brought speakers from Israel to the United States and sent them on tour.

AUTHORIZATION OF PAYMENTS TO AZC BY EXECUTIVE BOARD OF INC. AND  
EXTRA BUDGETARY EXPENSES

The CHAIRMAN. Is it fair to assume that you approved and paid these items about which you knew nothing, such as the Negro community work?

Mr. HAMMER. It would be fair to assume that there were many items in the budget of the American Zionist Council for which I was not familiar and did not require that I be familiar. The American Zionist Council ran its own show. All that I required was authorization by the executive board of the INC., at that time, to pay the overall sum over a period of time, usually a year, in convenient payments.

The CHAIRMAN. As I read this letter these are unbudgeted expenses which had not been approved by—

Mr. HAMMER. By unbudgeted expenses there would be, that would be a reference to items which would be discussed between the leaders of the American Zionist Council, and perhaps with some of our own people after the start of the budgetary year, and these would be instead of calling it unbudgeted items he would have been more correct to call it extra budgetary or additional budgetary items. But these were items which in the course of time were approved by the finance committee and became part of the total allocation to the American Zionist Council.

The CHAIRMAN. When you say by some of your people, wouldn't you be the one, since you were the chief executive officer, to approve it?

Mr. HAMMER. No, sir. I refer to myself as the chief administrative officer. Approval would be granted by the finance committee of the Jewish Agency for Israel, Inc., or its board.

The CHAIRMAN. These particular items, some of them, we have already had the vouchers, were made out specifically for these particular items. I don't know how it could escape your notice as to their being specific items in their account. They bring in an unbudgeted item, I would think as the chief administrative officer you would have some knowledge of those.

Mr. HAMMER. He may call them unbudgeted, but actually what they were were items which were approved subsequent to the approval of the overall budget at the beginning of the fiscal year.

The CHAIRMAN. And thereby were approved individually rather than as a lump budget, were they not?

Mr. HAMMER. Well, they in themselves were lump budget. For example, under the unbudgeted expenses there is the Education and Culture Committee of Lapson or Histadruth Ivrit which is an organization for the fostering of Hebrew language study.

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I don't know what that money was used for, that \$4,000 for the Histadruth Ivrit, I know in a general sense there was a decision taken to support the work of the Histadruth Ivrit and whether it was used for salaries or used for stationery or used for printing or any some of these other items. There would be an agreement or an approval to pay a certain sum for activities for a speaker's program, but the nature and character of the program, whether it would be 10 speakers or 100 speakers or whether it would be per diem expenses or travel expenses, I would not know, sir.

REASONS FOR RABINOWITZ FOUNDATION NOT INCLUDED AS BUDGETED EXPENSE

The CHAIRMAN. Inasmuch as in nearly every one of these reports there recurs the item of Rabinowitz Foundation, why wasn't it part of the budget. Normally, we think of unbudgeted as extraordinary expenses, unexpected ones.

Why is this carried as an unbudgeted expense although it recurs in every report?

Mr. HAMMER. Well, Mr. Chairman, I will try to give the best possible explanation I can give you. On the question of the Rabinowitz Foundation I have known Dr. Shwadron for many years. I do know that he has earned the respect of many people for his scholarly work. I do know that he did contact Mr. Rabinowitz before his death. There was an association there for several years. That Mr. Rabinowitz did make payment to him out of his own funds and out of the funds of the foundation and that Mr. Rabinowitz, I may be wrong in this, I think Mr. Rabinowitz served as a member of his committee for a while. That when Dr. Shwadron did not get his funds promptly, he would turn to his friend Rabinowitz and ask for an advance, and that when funds were made available to the American Zionist Council the council did reimburse Rabinowitz for such items as were advanced really by Rabinowitz on behalf of the American Zionist Council.

These payments by Rabinowitz to the Council on Middle Eastern Affairs were in addition to his own personal contributions.

With regard to the "Near East Report and services," again I say I do not know what the nature and character of the services rendered by Mr. Kenen to the American Zionist Council consisted of. I would not know. Insofar as the payment for subscriptions to the Near East Report, that I must assume was done on a staggered basis for various lists of people, and that it would be much easier for the American Zionist Council to make payment to Mr. Kenen for these things for subscriptions and for whatever services he performed for them over a fairly constant period in installments, if you will, because that is how they got their money, rather than one lump sum payment at the beginning of the year or at the end of the year or in the middle of the year.

The CHAIRMAN. I can understand that as periodic payment. I don't understand why it is called unbudgeted. It seems to me it is, it has become a regular item recurring in nearly every report. I just wondered what is the significance of carrying it in this special fashion of an unbudgeted expense although it recurs practically every report, I think.

Mr. HAMMER. My definition, sir, of the use of "unbudgeted expenses" and that is not my term but Rabbi Unger's term, is that he started the year, the beginning of the year with a budget and then in the course, and then subsequent to the adoption of this budget there were other items proposed and approved and these he called unbudgeted items.

Again I would say a more proper term would be supplementary budget items.

Mr. BOUKSTEIN. Do you mind if I offered an explanation which is a speculation on my part, Mr. Chairman, but I see what is troubling you and it is quite obvious. Perhaps—I say, perhaps—Rabbi Unger referred, used the word "unbudgeted" with respect to items which he didn't administer, which he merely passed on to Shwadrin or to the Foundation. I don't say that it is so, Senator, but it may be.

RELATIONSHIP OF JEWISH TELEGRAPH AGENCY, INC. TO JEWISH AGENCY FOR ISRAEL, INC., PRIOR TO 1960

The CHAIRMAN. Well, it could be. In these cases he is merely a conduit.

Mr. BOUKSTEIN. Conduit?

The CHAIRMAN. Yes.

Mr. Hammer, are you acquainted with an organization known as the Jewish Telegraphic Agency, Inc. (JTA)?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. Prior to March 13, 1960, what was the relationship of the Jewish Agency for Israel, Inc., to the Jewish Telegraphic Agency?

Mr. HAMMER. The Jewish Agency for Israel, Inc., held the voting shares of the Jewish Telegraphic Agency.

And in addition—

The CHAIRMAN. Was the Jewish Telegraphic Agency a corporation?

Mr. HAMMER. The Jewish Telegraphic Agency is a corporation.

The CHAIRMAN. Did you own all of the stock?

Mr. HAMMER. With the exception of a few shares, I believe we held all of the voting shares. If I may, sir, I would like to supplement that by saying that the Jewish Telegraphic Agency was organized many years ago, and along around the end of the 1940's, early 1950's, the founder, and owner of the Jewish Telegraphic Agency, a man by the name of Jacob Landau, became quite ill.

The operation of the Agency became very burdensome, and he could no longer carry it. It was a tremendous deficit in its operations, and the Jewish Agency stepped into that picture in order to preserve the existence of a news agency which specialized in the dissemination of Jewish news of particular interest to communities in the United States and throughout the free world, wherever Jewish communities existed.

Our purpose at that time was to make certain that there would be uninterrupted operation of the Jewish Telegraphic Agency or JTA as it is commonly known, and that at some point as soon as we could arrange it, there would be a transfer of this property, not only transfer of the share ownership, which is something that is not of great value in view of the deficit position of the JTA, but also the burden of financing it, to other people.

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In the middle 1950's, I personally undertook negotiations with representatives of the Council of Jewish Federations and Welfare Funds leading to their extending support to and participating in a reorganized JTA, and these negotiations went on for several years.

During that period the Jewish Agency for Israel, Inc., provided the budget or provided the funds necessary to cover the deficit of JTA to keep it going.

I understand that the process of transfer to a reorganized board of the JTA and the transfer of stock is taking place, and has almost reached the final stages of conclusion.

#### PAYMENTS OR LOANS TO JTA PRIOR TO MARCH 31, 1960

The CHAIRMAN. Prior to March 31, 1960, did the Jewish Agency for Israel, Inc., make payments or loans to the Jewish Telegraphic Agency?

Mr. HAMMER. It did, sir.

The CHAIRMAN. When did the payments begin?

Mr. HAMMER. I don't recall the exact date. My recollection would be that it began sometime in the early or middle 1950's.

The CHAIRMAN. Could you supply for the record a list of these payments on an annual basis up to March 31, 1960?

Mr. HAMMER. Yes, sir.

(See appendix 1, p. 1409, Item 11.)

#### REPORTING PAYMENTS TO JTA

The CHAIRMAN. Did you report these payments to the Jewish Telegraphic Agency on your registration statement filed with the Department of Justice?

Mr. HAMMER. I would assume that all of our expenditures were reported to the Department of Justice. Whether this was singled out as on a line by itself or whether it was included in another category of payments I would not know. In the first years, I do know that we regarded these advances to JTA as loans and actually for a period of time we did receive promissory notes to that effect.

We were hopeful that with a quick reorganization of JTA we would be reimbursed for the funds we had advanced. But this hope waned, and died, and we subsequently wrote it off.

The CHAIRMAN. Did the Agency advance payments or loans to the Telegraphic Agency before it acquired its stock?

Mr. HAMMER. Mr. Chairman, this is going back a dozen years or so or more. To the best of my recollection I think that there were some small loans and advances made prior to the acquisition of the stock. They were made to the late Jacob Landau.

The CHAIRMAN. Well, you can supply for the record when you acquired it and what loans and advances you made.

(See appendix 1, p. 1410, Item 12.)

Were they substantial loans or payments?

Mr. HAMMER. Prior to the acquisition of the stock?

The CHAIRMAN. Yes.

Mr. HAMMER. I would not recall, sir, but I would say they were much less in the aggregate than the total we advanced to JTA after we stepped in.

The CHAIRMAN. Afterward. They were substantial afterward?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. In about what magnitude were they annually?

Mr. HAMMER. Well, as I said before, we made up the annual deficit of JTA, and—

The CHAIRMAN. Was that large?

Mr. HAMMER. That ran possibly in low six figures, possibly a hundred, \$125,000 a year, again to the best of my recollection. I would have to check and verify and this I would submit to your staff, sir.

The CHAIRMAN. When you acquired the stock, did you pay for it or was that transferred to you without payment?

Mr. HAMMER. It was transferred to us without payment.

If I may say, sir—

# JEWISH TELEGRAPHIC NEWS AGENCY, INC.

The CHAIRMAN. I am told there were two companies, the Jewish Telegraphic News Agency, Inc., and the Jewish Telegraphic Agency. Do you recall that?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. Was the stock acquired in one of those? Did one own the other?

Mr. HAMMER. We formed, we, meaning the Jewish Agency for Israel, Inc., formed a corporation called Jewish Telegraphic News Agency, JTNA, to serve as a holding company for the stock of the Jewish Telegraphic Agency.

The CHAIRMAN. Why did you do that?

Mr. HAMMER. So that we would not complicate our business, our own affairs, and we would be in a position to transfer out the JTA shares as soon as we could effect a plan of reorganization with the welfare Funds and other communities throughout the United States?

## QUESTION OF STOCK CONTROL OF JTA THROUGH JTNA

The CHAIRMAN. But you did, through the Telegraphic News Agency, of course, control the Jewish Telegraphic Agency? You had all the stock of the Jewish News Agency?

Mr. HAMMER. Yes, sir: we had the voting shares, we owned the Agency, that is right.

The CHAIRMAN. And it in turn owned the voting shares of the Jewish Telegraphic Agency?

Mr. HAMMER. Yes, sir. In this sense I should like, if I may, to comment on the term "controlled" and what it means.

We owned the shares. We never did exercise control in the sense of regular board meetings where there were votes. I know I was elected to the board, and I never attended, there never was a meeting in a long period of time. There was never any attempt on our part to influence or control the editorial policy of the JTA. In fact, I recall having called the editor of JTA once or twice to complain about what I felt was unfair treatment of some of the news items coming from Israel.



ACQUISITION OF STOCK OWNERSHIP OF JTNA

The CHAIRMAN. Can you recall when the Agency did acquire the stock ownership in the Jewish Telegraphic News Agency?

Mr. HAMMER. The Agency acquired the stock of the Jewish Telegraphic News Agency when it caused that corporation to be established.

The CHAIRMAN. You organized it?

Mr. HAMMER. We organized it.

The CHAIRMAN. You organized it.

Do you remember about what year that was?

Mr. HAMMER. My guess at the moment, sir, would be somewhere in the early or middle 1950's, approximately 1952, 1953, or 1954. That is my best recollection at the moment and I will attempt to—

BOARD OF JTNA AND JTA

The CHAIRMAN. You were a member of the board of directors of the Jewish Telegraphic News Agency?

Mr. HAMMER. I do not recall, sir.

The CHAIRMAN. Were you a member of the board of the Jewish Telegraphic Agency?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. What were you, an officer?

Mr. HAMMER. No; a member of the board.

The CHAIRMAN. How big a board did they have?

Mr. HAMMER. Again, sir, I do not recall. It was not an active board, and it did not hold meetings for many years.

The CHAIRMAN. Were all members of that board employed by your Agency?

Mr. HAMMER. No, sir. I would say that there were many people who were prominent in Jewish affairs who were invited to accept membership in that board.

The CHAIRMAN. Was it a large board?

Mr. HAMMER. I do not recall, sir. I think it was a rather small board. We did not pursue the matter of reorganizing the board very energetically because we directed our efforts to reaching an understanding with the welfare funds in other communities to the end that they would participate in the reorganization of the JTA and assume financial responsibility for it.

The CHAIRMAN. Were the members of the board of the Jewish Telegraphic Agency all American citizens?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. Was that acquisition of the stock of the Jewish Telegraphic News Agency reported to the Department of Justice under question 12(b) of the supplemental registration statement relating to changes in the registrants control over other organizations?

Mr. HAMMER. I do not recall, sir.



NOTICE OF JEWISH AGENCY ACQUISITION OF JTA AND JTNA

The CHAIRMAN. Was there any public notice made in any fashion that the Jewish Agency had acquired the ownership of the Jewish Telegraphic News Agency and the Jewish Telegraphic Agency?

Mr. HAMMER. I do not recall any public notice, although the matter was generally known to the Council of Jewish Federations & Welfare Funds which so informed its members, its constituent members, 234 communities throughout the country, and other national Jewish organizations which were aware of this situation.

The CHAIRMAN. Did this Agency have any subscribers in this country?

Mr. HAMMER. This Agency has subscribers of individuals as well as Anglo-Jewish newspapers and the wire services.

The CHAIRMAN. In this country?

Mr. HAMMER. In this country.

The CHAIRMAN. As well as abroad?

Mr. HAMMER. As well as abroad, sir.

The CHAIRMAN. Were those subscribers informed that the ownership of this Agency rested with your Agency?

Mr. HAMMER. I would not know, sir. I did not interfere in the operations of JTA.

The CHAIRMAN. So far as you know they were not informed?

Mr. HAMMER. So far as I know they were not informed. I never heard of any such notice going out.

The CHAIRMAN. Were there any public announcements that your Agency made up the deficit of this company?

Mr. HAMMER. Such announcements or such information was made available to the various welfare funds throughout the United States by the Council of Jewish Federations & Welfare Funds.

The CHAIRMAN. But so far as you know it was not indicated in your reports to the Justice Department nor to the subscribers?

Mr. HAMMER. I don't know. I don't believe it was ever indicated to the subscribers and insofar as our report is concerned, I have no recollection of it, sir.

ACCOUNTANT'S REPORT ON FISCAL YEAR 1959

The CHAIRMAN. I show you a copy of a report dated September 25, 1959, to the Jewish Agency, Inc., rendered by Green, Strocker & Co., certified public accountants, and ask you if a copy of this report is among your files.

Mr. HAMMER. Yes, sir.

The CHAIRMAN. This report covers the fiscal year ended March 31, 1959, is that correct?

Mr. HAMMER. That is correct, sir.

The CHAIRMAN. The page marked "Exhibit A, Schedule 3, Miscellaneous Investments" shows under capital stock, Jewish Telegraphic News Agency, no par value, three shares, \$300, is that correct?

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# ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S. 1289

Mr. HAMMER. Exhibit A, schedule 3.

The CHAIRMAN. Yes; miscellaneous investments.

Mr. HAMMER. Yes, sir.

(A copy of the document referred to follows:)

## EXHIBIT A, SCHEDULE 3

### THE JEWISH AGENCY, INC.

#### *Miscellaneous investments as at March 31, 1959*

#### The Jewish Agency, Inc.:

|   |                  |
|---|------------------|
| Common Stock: Israel Development Corporation, par value \$25.00, 412 shares-----        | \$10,300.00      |
| Preferred Stock: Ampal—American Israel Corporation, par value \$5.00, 6,615 shares----- | 33,075.00        |
| Bonds: Ampal—American Israel Corporation, Fifteen Year, 4%, Sinking Fund Debentures:    |                  |
| Series A 1966, Due January 1, 1966-----   | \$12,000.00      |
| Series B 1967, Due July 1, 1967-----  | 20,000.00        |
|   | <u>32,000.00</u> |

|                                 |           |
|---------------------------------|-----------|
| Total, Jewish Agency, Inc.----- | 75,375.00 |
|---------------------------------|-----------|

#### Agency Holding Corporation: Capital Stock:

|   |                 |
|---|-----------------|
| Jewish Telegraphic News Agency, Inc., no par value, 3 shares-----           | \$300.00        |
| Amidar—Housing for Immigrants in Israel, Inc., no par value, 10 shares----- | 2,000.00        |
| Surplus Stocks, Inc., no par value, 10 shares-----                          | 1,000.00        |
| Eleven East 70th Street Corporation, no par value, 3 shares---              | <u>3,300.00</u> |

|            |           |
|------------|-----------|
| Total----- | 78,675.00 |
|------------|-----------|

GREEN, STROCKER & CO.

The CHAIRMAN. Page marked "Exhibit B, Schedule 3," titled "Expenditures for the Jewish Agency Treasury, Jerusalem, for the year ended March 31, 1959," carries an item "Jewish Telegraphic Agency, Inc., \$111,450"; is that correct?

Mr. HAMMER. That is correct, sir.

(A copy of the document referred to follows:)

## EXHIBIT B, SCHEDULE 3

## THE JEWISH AGENCY, INC.

*Expenditures for the Jewish Agency treasury, Jerusalem, for the year ended Mar. 31, 1959*

|  | Schedule number |                 |
|--|-----------------|-----------------|
| Direct remittances.....  | 3-a.....        | \$26,209,683 63 |
| European Treasury (no change during March).....  |                 | 3,800,435 46    |
| Meeting expenses.....  | 3-b.....        | 24,544 40       |
| Schlichim advances.....  | 3-c.....        | 172,784 22      |
| Hechalutz and youth movements.....   | 3-d.....        | 192,518 02      |
| Disbursements on account of staff.....   | 3-e.....        | 14,553 81       |
| Shekel funds (including \$31,500 committed but unexpended).....  |                 | 746,951 11      |
| Miscellaneous authorizations.....  | 3-f.....        | 1,826,685 60    |
| Western Hemisphere.....  |                 | 10,550 00       |
| Interest expense.....  | 3-g.....        | 884,344 86      |
| Mekoroth.....  | 3-h.....        | 3,031 95        |
| Interest and other expenses on consolidation loan paid by the United Jewish Appeal, Inc.....                   | 3-i.....        | 2,278,881 02    |
| Jewish Telegraphic Agency, Inc.....  |                 | 111,450 00      |
| Functional expenses.....   | 4-a.....        | 461,337 67      |
| Ein-GeV Account.....   | 3-j.....        | 1,026 40        |
| U. I. A. constituent organizations.....  | 3-k.....        | 702,831 00      |
| Export-Import Bank loan.....   |                 | 4,504,167 17    |
| Payment made for Keren Hayesod in Israel.....  | 3-l.....        | 31,489 62       |
| Miscellaneous.....   | 3-m.....        | 158,839 82      |
| Total.....   |                 | 42,096,105 76   |
| Less.....  |                 |                 |
| Zim loans.....   | 3-n.....        | 2,844,893 99    |
| Current account.....   | 3-o.....        | 34,979 77       |
| Canadian account.....  | 3-p.....        | 2,149,604 27    |
| Amidar account.....  |                 | 664,018 33      |
| Israel Filmstrips, transfer of funds received from Paul Veret of Jewish Philanthropies of Omaha for films..... |                 | 750 00          |
|  |                 | 5,694,246 34    |
| Balance.....   |                 | 36,401,859 42   |

GREEN, STROCKER &amp; CO

The CHAIRMAN. Was this expenditure reported on your registration statement filed with the Justice Department?

Mr. HAMMER. I would assume all of our expenses were reported, sir, and again I must say I do not recall whether this was reported as a separate item in and of itself or included in another descriptive category with other items.

The CHAIRMAN. It was not listed by name?

Mr. HAMMER. I do not recall, sir.

The CHAIRMAN. Well, could you check that for the record and see?

Mr. HAMMER. I will try to check for the record to see whether this item of \$111,450 was reported as a separate item.

The CHAIRMAN. As a separate item.

## ACCOUNTANTS' REPORT ON FISCAL YEAR 1960

I show you a copy of a report dated November 4, 1960, rendered to the Jewish Agency for Israel, Inc., by Green, Strocker & Co., certified public accountants, and ask if a copy of this report appears in your file?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. This report covers fiscal year ended March 31, 1960; is that correct?

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Mr. HAMMER. Yes, sir.

The CHAIRMAN. Page marked "Exhibit B, Schedule 3," expenditures for the Jewish Agency treasury, Jerusalem, carries an item "Jewish Telegraphic Agency, Inc., \$143,203": is that correct?

Mr. HAMMER. That is correct, sir.

(A copy of the document referred to is as follows:)

## EXHIBIT B, SCHEDULE 3

## THE JEWISH AGENCY FOR ISRAEL, INC.

*Expenditures for the Jewish Agency treasury, Jerusalem, for the year ended Mar. 31, 1960*

|  | Schedule number |                 |
|--|-----------------|-----------------|
| \$26,209.683 63  |                 |                 |
| 3,800.435 46   |                 |                 |
| 24,544 40  |                 |                 |
| 172,784 22   |                 |                 |
| 192,518 02   |                 |                 |
| 14,553 81  |                 |                 |
| 746,951 11   |                 |                 |
| 1 826,685 60   |                 |                 |
| 10,550 00  |                 |                 |
| 884,344 86   |                 |                 |
| 3,031 95   |                 |                 |
| 2 278,881 02   |                 |                 |
| 111 450 00   |                 |                 |
| 461 337 67   |                 |                 |
| 1,026 40   |                 |                 |
| 702,831 00   |                 |                 |
| 4,504,167 17   |                 |                 |
| 31,489 62  |                 |                 |
| 158,839 82   |                 |                 |
| 42 096,105 76  |                 |                 |
| 2,844,803 99   |                 |                 |
| 34,979 77  |                 |                 |
| 2,149,604 27   |                 |                 |
| 664,018 33   |                 |                 |
| 750 00   |                 |                 |
| 7,604,246 34   |                 |                 |
| 36,401,859 42  |                 |                 |
| Direct remittances   | 3-a             | \$25,827,168.70 |
| European Treasury  | 3-b             | 2,972,368.89    |
| Meeting expenses   | 3-c             | 103,711.54      |
| Schlichim advances   | 3-d             | 202,443.97      |
| Hechalutz and youth movements  | 3-e             | 202,445.69      |
| Disbursements on account of staff  | 3-f             | 15,783.44       |
| Miscellaneous authorizations   | 3-g             | 5,111,758.79    |
| Shekel funds   |                 | 690,061.13      |
| Western Hemisphere   |                 | 13,837.57       |
| Interest expense   | 3-h             | 1,616,574.91    |
| Interest and other expenses on consolidation loan paid by the United Jewish Appeal, Inc.                   | 3-i             | 2,406,087.49    |
| Jewish Agency Treasury Jerusalem, functional expenses  | 4-b             | 345,160.02      |
| Jewish Telegraphic Agency, Inc.  |                 | 143,203.00      |
| Former Ein-Gey bondholders   | 3-j             | 12,564.19       |
| C.L.A. constituent organizations   | 3-k             | 1,151,544.00    |
| Keren Hayesod (no change during two months)  |                 | 370.00          |
| Zion loans (no change during two months)   |                 | 957,939.13      |
| Ahiyah Israel  | 3-l             | 103,222.06      |
| Israel Economic Department, D. Stern   | 3-m             | 23,275.16       |
| Export-Import loan   |                 | 2,402,639.35    |
| Miscellaneous  | 3-n             | 2,446,996.26    |
|  |                 | 46,749,155.29   |
| Less   |                 |                 |
| Current account  | 3-o             | 26,178.17       |
| Amhar account  |                 | 355,019.40      |
| Israel filmstrips (transfer of funds received from Paul Veret of Jewish Philanthropies of Omaha—for films) |                 | 620.00          |
| Mekoroth (No change during two months)   |                 | 105.39          |
| El-Al Israel Airlines  | 3-p             | 43,534.80       |
| American Israeli Line  | 3-q             | 103,448.97      |
| Canadian account   | 3-r             | 1,545,896.50    |
|  |                 | 2,074,803.23    |
| Total  |                 | 44,674,352.06   |

GREEN, STROCKER &amp; CO.

The CHAIRMAN. If I may go on for a moment, since we have this report out, I wonder if you would turn to page marked "Exhibit B, Schedule 4: Jewish Agency for Israel, Inc., Administrative Expenses for the Year Ended March 31, 1960." The third to last item is listed as "Special public relations, \$50,000."

I wonder, could you tell us what that item was for, special public relations?

Mr. HAMMER. Mr. Chairman, I don't recall the specific nature of the \$50,000 item. I would like an opportunity to check my records and to supply your staff with it.

The CHAIRMAN. That is fine. Supply that for the record.

Mr. HAMMER. Thank you.

(Copy of document is as follows: see appendix, p. 1410, Item 13.)

## 1292 ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S.

## THE JEWISH AGENCY FOR ISRAEL, INC.

*Administrative expenses for the year ended March 31, 1960*

|   | Total        |
|---|--------------|
| Salaries, maintenance, and fees                     | \$304,951.25 |
| Travel  | 17,071.27    |
| Postage   | 8,864.05     |
| Telephone   | 10,192.74    |
| Telegraphs and cables                               | 7,381.52     |
| Office supplies, stationery, and printing           | 15,607.41    |
| Publications and subscriptions                      | 3,640.73     |
| Brochures, pamphlets, recordings, and broadcastings | (12.50)      |
| Functions and meetings                              | 6,771.91     |
| Grants and subventions                              | 63,305.52    |
| Health insurance                                    | 6,741.16     |
| Social security                                     | 4,623.25     |
| Insurance   | 1,652.57     |
| Rent (net)  | (3,589.41)   |
| Repairs and maintenance                             | 2,360.91     |
| Local fares, freight and miscellaneous              | 6,794.45     |
| Advertising   | 844.60       |
| Building  | 83,953.57    |
| Special miscellaneous                               | 3,964.32     |
| Pensions  | 9,070.00     |
| Car expense   | 3,082.75     |
| Depreciation  | 20,610.40    |
| Special public relations                            | 50,000.00    |
| Amount to be refunded                               | (7,700.00)   |
| Unexpended budget                                   | 5,430.00     |
| Total   | 623,612.47   |

NOTE.—Figures in parentheses denote credits.

The CHAIRMAN. What we would like in that information is the itemization of just what this money was spent for.

Mr. HAMMER. The \$50,000.

The CHAIRMAN. And to whom.

Mr. HAMMER. Yes, sir.

## AMERICAN CHRISTIAN PALESTINE COMMITTEE (ACPC)

The CHAIRMAN. Are you acquainted with an organization known as the American Christian Palestine Committee?

Mr. HAMMER. Not too well. Only that it was organized many years ago, and headed at that time by the late Senator Robert Wagner and the late Senator Taft. It supported the effort for the creation of a Jewish State and continued on thereafter supporting the general effort to create a pro-Israel climate.

The CHAIRMAN. Was that Committee at one time the recipient of financial support from the American Zionist Council?

Mr. HAMMER. I believe it is supported by the American Zionist Council.

The CHAIRMAN. It was a part of the Council's regular budget?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. Were the American Zionist Council expenses in this respect reimbursed by your organization?

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Mr. HAMMER. It was part of the general allocation of funds we made to the American Zionist Council.

The CHAIRMAN. Do you know if that support was substantial in relation to the total expenses of the Committee?

Mr. HAMMER. I don't recall offhand what that situation is.

The CHAIRMAN. Well, the American Zionist Council would know about that; wouldn't they?

Mr. HAMMER. I would assume so; yes, sir.

The CHAIRMAN. During the period during which the American Zionist Council contributed to the support of the American Christian Palestine Committee, did the Jewish Agency for Israel receive copies of monthly reports of the activities of the Committee?

Mr. HAMMER. No, sir; I don't recall seeing any.

#### MONTHLY REPORTS OF ACPC

The CHAIRMAN. Well, I show you copies of what purport to be the May, July, and October 1958, and the January 1959 monthly reports of the ACPC, that is the American Christian Palestine Committee, rendered by the Rev. Karl Baehr to Rabbi Jerome Unger, marked copy to Mrs. Halprin, and ask if copies of these reports appear in your files.

(Copies of documents are as follows:)

#### AMERICAN CHRISTIAN PALESTINE COMMITTEE.

New York, N.Y., June 4, 1958.

Re May Monthly Report.

Rabbi Jerome Unger.

The Rev. Karl Baehr.

#### A. Annual ACPC Study Tour

We now have 15 Study Tour reservations. However, four of the group will be joining in Rome and therefore, we do not yet have our basic 15 for a New York departure which is required in order to get a free tour leader. We still hope that within the next few days we will reach the minimum of 15 required.

#### B. Land Reborn

See Hugo Jaeckel's report which is attached.

#### C. Field Activities

(1) The May issue of the ACPC Newsletter features our ACPC chapter activities with special reference to the New Jersey chapter. It also includes a number of additional statements and prayers in connection with Israel's Tenth Anniversary [deleted]. A copy of this issue is attached.

(2) During May, I made the following appearances: The Westport, Conn., Unitarian Church, Sunday, May 4th; Saratoga Springs, N.Y., Israel Tenth Anniversary celebration also on May 4th; Chester, Pa., Tenth Anniversary celebration, May 5th; Dean Pike Send-off luncheon, May 7th; Newark, N.J., ACPC seminar, May 10th; Canadian Broadcasting Co. television show, Toronto, May 11th (appeared with Dr. John Irving of the University of Toronto, Dr. Kirk Callard of the Department of Islamic Studies, McGill University, and Freda Utley); American Baptist Ministers conference in New York, May 12th; Boston ACPC seminar, May 16th.

(3) Meetings Attended: Regular AZC staff sessions [deleted]; meeting of the Speakers' Research Committee of the U.N., May 15th and 26th.

(4) Interviews and Discussions: [Deleted.]

(5) Chapter Activities: (a) On May 10th, the New Jersey Chapter of the ACPC was formed at a 10:30 A.M.-3:00 P.M. seminar session. [Deleted], and myself. It was attended by 35 leaders from various New Jersey communities who are eager to carry out ACPC programs and activities in the New Jersey area. [Deleted.]



(b) On May 16th, an ACPC seminar was held in Boston at Trinity House attached to Trinity Cathedral. The Speakers were [deleted] and myself. [Deleted.] About 135 people attended and the response was excellent. A goodly number of those in attendance represented missionary interests and were not friendly, although I think they were very much impressed with our meeting.

(c) [Deleted.]

(d) The Long Island Committee for Peace and Justice in the Holy Land (our ACPC group on the Island) sent out to its minister members reprints of the Herald Tribune articles entitled "Israel: After Ten Years."

(e) Plans are already being formulated for meetings in the fall for the following areas: Philadelphia, Pa., Greensboro, S.C.; and Arlington, Va.

#### D. Film Library

During May, we serviced 29 film requests.

#### E. Visitors in Israel and the Middle East

We have communicated with Dr. Alisa Klansner Ber in Tel Aviv about the following individuals and tour groups going to the area:

(1) [Deleted.]

(2) [Deleted.]

(3) [Deleted.]

We have awarded travel fellowships to the following: Dr. and Mrs. [deleted], \$800, the Rev. [deleted], \$250; and Dr [deleted], \$800.

#### F. Distribution of Literature

Since we have exhausted our current supply of *In Search of Brotherhood* in the Holy Land, we are now in the process of revising and updating it for republication.

We are still fulfilling requests for the Elfan/Rees article, *The Refugee Problem: Today and Tomorrow* from various school and public libraries.

We continue to send out our "VIP" letter accompanied by a packet of our literature to individuals whose names are brought to our attention by our representatives and friends in the field; i.e.: [deleted].

We have secured the names of those who are joining the Summer Odyssey Tour [deleted]. We have sent these four members packets of our literature accompanied by a covering letter about the program and work of the ACPC.

#### G. Children's Memorial Forest

We are still receiving remittances for the purchase of trees in the Children's Memorial Forest.

We have received a request from the Protestant Council of the City of New York for 250 CMP brochures in connection with their program at summer camps, vacation schools, and so forth, in the New York area.

#### H. Carnegie Endowment Center Series

[Deleted]

#### I. The Negro Community

We had a mailing to approximately 1,200 Negro leaders across the country which included the following items: The ACPC reprint of the New York Times article on China and Israel, and a mimeographed copy of an article on slavery in Saudi Arabia from the Church Herald.

[Deleted.]

We granted a special \$500 travel fellowship to [deleted], in order that he might visit Israel this summer. He is an educator of some note in the Negro community and is highly regarded by [deleted].

We are now working on an article about the color problem and slavery in Arab lands which may be placed, we hope, in some outstanding Negro publication like [deleted]. The basic draft has been prepared by the representative of the American Jewish Congress in Europe who resides in [deleted].

#### J. Special Projects

(1) *Pictures for the Religious Press*.—Twenty-five Christian journals have responded to our query regarding this project.

(2) *Missionary Study Theme of the National Council of Churches*.—We are currently studying the booklets printed by Friendship Press which are to be the basis of the study of the Middle East as a part of the Missionary education programs. A memorandum is to be prepared which will be directed to the attention of leaders across the country so that they might understand the nature of these

materials and de negative emphasis

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materials and develop supplementary programs in order to help counteract what negative emphasis vis-a-vis Israel will be present in these materials.

(3) *Statue Shalom*.—Some years ago, the Executive Council of the ACPC approved the idea of a statue at Haifa which would follow in the tradition of America's Statue of Liberty. [Deleted] has now secured a site in Haifa with the cooperation of the Honorable Abba Hushi, Mayor of Haifa, and has also gained the support of [deleted], who is contributing his services to the project. Since the project is so well advanced, we are now in a position to participate and help in publicizing it and also help raise funds for it. The amount envisaged is approximately \$100,000. The statue is now designed to be "Rachel and her children"—the children to represent different races—and is to be 120 ft. high. A special committee is to be incorporated and empowered to raise funds for the project.

K. B.

JUNE 4, 1958.

Re Monthly Report for May.

Karl Baehr.

Hugo Jaeckel.

1. Land Reborn: Editing and soliciting material for the next issue of Land Reborn. Copy should be at the printer during June.

2. ACPC Newsletter appeared.

3. Conference Pamphlet: Final galleys proofed. Pamphlet should be out within ten days.

4. Carnegie Conference: Prepared and edited statements for use of Israel Tenth Anniversary meeting at Carnegie.

5. Miscellaneous: Editing various materials; reviewing Catholic and Negro press; press releases for Boston ACPC Conference; worked with [deleted] on article re Egyptian Copts; preparation of items for Arab-Israel dictionary, etc.

AMERICAN CHRISTIAN PALESTINE COMMITTEE.

New York, N.Y., August 4, 1958.

Re July Monthly Report.

Rabbi Jerome Unger.

The Rev. Karl Baehr.

#### A. Annual ACPC Study Tour

From all preliminary reports, our Study Tour group had a very successful experience in the Middle East lands and in Israel. They were not able to visit Lebanon, but got into all of the other countries on the itinerary. [Deleted] has already sent back a letter that is most favorable to Israel which is to be sent out to some 700 National Council leaders across the country. Thus, already great good is flowing from the Study Tour.

#### B. Land Reborn

See Hugo Jaeckel's report which is attached.

#### C. Field Activities

(1) Our June-July issue of the ACPC Newsletter is now complete and will be mailed shortly. It features an analysis of the Middle East Study Program and is about twice its normal size. However, I think the analysis is a good one and should help to correct the anti-Israel slant of the materials. We are hopeful, too, that it will influence National Council leaders to change their approach to the Middle East problem. It is rumored that a special National Council meeting on the Middle East is to take place in the not too distant future partially because of the crisis and also because so much of the Middle East Study materials are now sadly out of date. They may find it necessary to issue another document in order to deal with the critical situation that now exists. Our Newsletter might conceivably help them to give a more favorable cast to that particular document if and when it is produced.

(2) During July, I made the following appearances: I briefed a tour party [deleted]; preached on Israel at the Spring Green Baptist Church outside Providence, R.I., on July 20th; spoke at the Community Forum at Martha's Vineyard to over 450 on July 21st.

(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.]

[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 "Couchiching" 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 Jaekel 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

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(5) Pen Pal Committee Pen Pal Committee in Minneapolis want to correct the Israel Co secure such a similar lists of [deleted].

J. "Land Reborn"

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(2) Durin Station WS seminar on

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.

#### 1. Annual ACPC 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 ACPC 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 ACPC 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 of 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 Mayer [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. Voeg's 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 Pro

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*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.



## 1300 ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S.

### 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*.

## ACTIVITIES

### I. The Negro

News released from the Center were sent to Mrs. Vivian [deleted] institutions pro-

### J. Special Programs

(1) Missionary Program with Efforts are being made to bring denominational leaders to the East question the Mission Society.

(2) Midwestern Conference is being held to attend the Conference as good as we have.

Re Monthly Report of Karl Baehr. Hugo Jaeckel.

(1) Copy for the printer at Dr. James H. Verley on Island Hartford on the

(2) Edited by [deleted]

(3) Miscellaneous questionnaire to State publicity for R

The Chairman Mrs. Rose H. Mr. HAMM

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The Chairman Judith Epst

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**I. The Negro Community**

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

Mrs. Vivian 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 Jaeckel.

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

The CHAIRMAN. Yes.

Mr. BOCKSTEIN. 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 her 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. BOCKSTEIN. 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. BOCKSTEIN. That is correct.

The CHAIRMAN. It wouldn't be—

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

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

Mr. BOCKSTEIN. 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?

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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. BORKSTEIN. 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. BORKSTEIN. 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 UJA, 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 UJA TRANSMITTED TO JERUSALEM AGENCY

The CHAIRMAN. What percentage of the funds that you received from the UJA 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 UJA, 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?

#### AZC 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 originated 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-

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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,



1306 ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S.

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 I, 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.

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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.

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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. BOCKSTEIN. 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. BOCKSTEIN. 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. BOCKSTEIN. 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. BOCKSTEIN. 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. BOCKSTEIN. 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. BOCKSTEIN. 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.)



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PURPOSES OF PAYMENTS

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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:)

RECEIVED  
JUL 11 1960  
U.S. DEPT. OF JUSTICE

MEMORANDUM  
THE JEWISH AGENCY FOR ISRAEL

May 20, 1940

MEMORANDUM

TO: Miss Fanny Spelzer - Bookkeeping Department

FROM: Isidore Hamlin

Re: Request for \$4000 as quickly as possible for Schwadron, to be paid through the American Zionist Council.

This is part of the regular payments due to Schwadron, on which he lives.

Mr. Spelzer is asked to instruct me to ask you to have this money made as quickly as possible.

*Isidore Hamlin*  
*Charge PR budget of J. A. - Am. Zion*



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

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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:)

*Handwritten note on right margin:*  
Jewish Agency - American Section  
May 27, 1960  
\$4,000  
Isadore Hamlin

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ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S. 1317

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May 27.

*Ch. Jacob [unclear]*

May 27, 1960

AMERICAN ZIONIST COUNCIL

On account of Financial Public Relations Budget



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

Mr. HYMLIN. 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 Shwadrin?

Mr. HYMLIN. No, sir.

The CHAIRMAN. No, sir?

Mr. HYMLIN. Other payments?

The CHAIRMAN. Yes.

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

The CHAIRMAN. There were regular payments?

Mr. HYMLIN. Yes, sir.

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

#### ADDITIONAL PAYMENTS BY AMERICAN SECTION, INC., FOR DR. SHWADRIN

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. HYMLIN. Yes, sir; I did.

(A copy of the note is as follows:)

*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?*

*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. HYMLIN. Yes, sir; I did.

(A copy of the voucher is as follows:)

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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.

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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. BOKSTEIN. 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. 100,000 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. BOURSTEIN. May I say something?

The CHAIRMAN. Do you have any information on this?

Mr. BOURSTEIN. 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.

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

The CHAIRMAN. Yes.

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

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

Mr. BOCKSTEIN. 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. BOCKSTEIN. That is correct.

The CHAIRMAN. From its own funds?

Mr. BOCKSTEIN. That is correct, sir.

The CHAIRMAN. I see.

#### JEWISH RESTITUTION SUCCESSOR ORGANIZATION

Mr. BOCKSTEIN. 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. BOCKSTEIN. 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. BOCKSTEIN. 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. BOCKSTEIN. 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, D-1118, 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. Schwadron, 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.

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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:)

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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.



1330 ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S.

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. BOKSTEIN. 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. BOEKSTEIN. 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. Boekstein: is that right?

Mr. BOEKSTEIN. 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. BOEKSTEIN. 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. BOEKSTEIN. 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.