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June 1, 1943

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MEMORANDUM FOR MR. GEORGE S. ROUDERISH
CHIEF, SEDITION SECTION

Re: Zionist Organization of America
111 Fifth Avenue, New York City and
1720 - 16th Street, N.W., Washington, D.C.

This organization, according to the preamble to its constitution, exists in order "to promote Zionist activities in the United States, and to further the aim and purpose of the Baisle Platform, namely, 'to establish a publicly recognized and legally secured home for the Jewish people in Palestine.'" On September 6, 1938 the Department of State, at that time the administrative agency of the Foreign Agents Registration Act, sent the organization a copy of the Rules and Regulations of the Act and requested a detailed statement of facts regarding the organization's activities as agent of a foreign principal. The Zionist Organization of America on September 9, 1938 replied in a letter stating that in the opinion of the Organization's counsel it was not an organization whose registration was contemplated by the Act. The letter contained a statement of facts, pointing out that the work of the Organization has a two-fold purpose: (1) to explain Zionism to American Jews, and (2) to win friendly cooperation and public opinion for Zionism. The second is done in collaboration with the Karen Hayesod (Palestine Foundation Fund) and the Karen Kayemeth (Jewish National Fund of America, Inc.). It was stated that similar Zionist groups exist in other countries and all are represented by a World Zionist Congress, with headquarters apparently in Jerusalem, which meets bi-annually and is composed of delegates from the various Zionist groups. The World Zionist Congress was said to be "the supreme moral body of the Zionist movement in the sense that its decisions as to policies and fund-raising are to guide the various groups participating in the work of the Zionist movement." It was further stated that the American Zionist group does not receive funds from the World Zionist Congress but that, on the contrary, every member of the American Organization pays an annual dues of \$.50 (the Shekel) for the purpose of participating in the election of delegates to the Zionist World Congress. There also exists the Jewish Agency for Palestine, recognized in the Mandate of the League of Nations, a body composed of representative Zionists and Jewish

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non-Zionists for the purpose of devising and cooperating with the Administration of Palestine. The Zionist Organization of America through the Palestine Foundation Fund assists collection of money needed by the Agency for its programs. The State Department, in a letter dated September 15, 1938, stated that "on the sole basis of the information set forth in your letter it would appear that you are correct in your understanding that the activities of the Zionist Organization of America do not fall within the purview of the provisions of the Act mentioned."

A Department of State memorandum dated August 11, 1941 in interpreting the Foreign Agents Registration Act of 1938, as amended, stated that the Zionist Organization of America as an affiliate of the World Zionist Congress, which determines and directs the policies of its member organizations, is subject to registration. A conference between Mr. E. A. Schulson, Assistant to the Executive Director of the Organization and a representative of the Department of State, was reported in a memorandum dated August 20, 1941. In that conference the agency relationship with the World Zionist Congress was again denied. A letter of October 8, 1941 from the Organization to the State Department denied in writing the agency relationship and expressed the opinion that the Organization was not subject to registration under the Act. This letter was later acknowledged.

The State Department file in this matter contains copies of the letters and memoranda from which I have quoted above along with various pamphlets and literature and copies of the constitutions of the American Zionist Organization and the World Zionist Congress. It is admitted that the American Organization is an affiliate of the World Zionist Congress. As an affiliate of the World Zionist Congress the Organization is subject to the provisions of the Constitution of the World Zionist Congress. Article 79 of the Congress' Constitution indicates that an element of control exists inasmuch as political negotiations with governments and the League of Nations may be conducted by Zionist groups only with the approval of the Executive Congress. The article further states that the admission of bodies to the Zionist Organization presupposes that in all Zionist questions the duty of discipline in regard to the Zionist Organization (apparently meaning the Congress) must take precedence over the duty of discipline in regard to any other organization. Disciplinary measures against member groups are provided in the article.

To summarize, the World Zionist Congress directs the policies of the American Zionist Organization as one of its affiliates and by its Constitution exercises some degree of control over certain of the

Organization's activities. The World Congress appears to come within the definition of "foreign principal" inasmuch as it is an "association . . . organization . . . having its principal place of business in, a foreign country." It would seem, therefore, that the American Zionist Organization is one "who within the United States solicits . . . money for a foreign principal" and "who within the United States acts at the order, request or under the direction of a foreign principal at least in some of its activities." Legally, therefore, I believe this is a case for application of the Act. The Zionist Organization of America has consistently denied liability to register under the Act, first in its letter of September 9, 1938, next in a conference reported in a memorandum dated August 20, 1941 and again in a letter dated October 8, 1941. We have no reason to expect that there should be any change now in the Organization's position as to registration. Another letter would probably result in a repeated refusal to register. Threat of prosecution or actual prosecution by the Department of Justice for failure to register seems to be the only remaining effective action. But I doubt that such action would be warranted under the circumstances at this time.

Respectfully,

Philip Aultman