Mr. Sharp and I conferred at length today with Rabbi Goldstein, President, and other representatives of the Zionist Organization of America, and explained that from the facts in our possession it appeared (1) that the activities of the Organization on behalf of a Jewish Commonwealth in Palestine were not exempt from registration as being solely religious, and (2) that the relationship between the Organization and the World Zionist Organization of Palestine was close enough to be one of "agency" within the Act.

They agreed that they would submit a factual brief on the extent of the relationship between the American and the World Organization and any material they had to support the proposition that their activities were solely religious. It seems clear that they cannot maintain this latter proposition but of course whether their activities in conjunction with the World Organization constitute "agency" within the statute is a matter of degree to be decided on all the facts.

Copy to Mr. McGranery.