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ACTIVITIES OF NONDIPLOMATIC REPRESENTATIVES OF
FOREIGN PRINCIPALS IN THE UNITED STATES

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HEARING
BEFORE THE
COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE
EIGHTY-EIGHTH CONGRESS
FIRST SESSION

UNDER THE AUTHORITY OF SENATE RESOLUTION 362, 87TH
CONGRESS, AND SENATE RESOLUTION 26, 88TH CONGRESS,
AUTHORIZING THE COMMITTEE ON FOREIGN RELATIONS TO
STUDY THE ACTIVITIES OF NONDIPLOMATIC REPRESENTA-
TIVES OF FOREIGN PRINCIPALS IN THE UNITED STATES

PART 12

AUGUST 1, 1963

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Note.—This hearing was held in public session and relates to Part 9 of Hearings on Activities of Non-Diplomatic Representatives of Foreign Principals in the United States.

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ACTIVITIES OF NONDIPLOMATIC REPRESENTATIVES OF FOREIGN PRINCIPALS IN THE UNITED STATES

THURSDAY, AUGUST 1, 1963

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to notice, at 10:10 a.m., in room 4221, New Senate Office Building, Senator J. W. Fulbright (chairman) presiding.

Present: Senators Fulbright, Sparkman, Humphrey, Lausche, and Carlson.

OPENING STATEMENT BY THE CHAIRMAN

The CHAIRMAN. The committee will come to order.

This morning we will continue our examination into the activities within the United States of the Jewish Agency-American Section, Inc., the agent registered with the Department of Justice on behalf of the Executive of the Jewish Agency, Jerusalem.

I would like to stress at the outset that this committee's interest in the Agency's activities in Israel is not an issue. There can be little but respect for an organization which over the past 15 years has resettled 1,150,000 refugees in Israel—indeed, American Jews have shown their support for the Agency through contributions of over \$1 billion, and the U.S. Government itself has over the past 15 years supplied another \$878 million in grants and loans to Israel for similar purposes.

Along this line, I would like to insert into the record of this hearing an article that appeared last Sunday in the New York Times entitled "Hopes and Fears Arrive in Israel" which, I believe portrays in some ways a part of the Jewish Agency's activities in Israel.

(A copy of the article referred to appears at the end of the opening statement.)

This committee is interested, however, in the activities of the Jewish Agency's agent acting in the United States—not because of the nature of its foreign principal nor because of the cause or nation it espoused, but rather because of the methods and techniques it has employed in the United States and their relationship to the workings of the Foreign Agent Registration Act.

For almost 20 years the representative of the Jewish Agency has been registered with the Department of Justice but it was only within the last year, when this committee called attention to the matter, that the registrant was requested by the Department's Registration Section to itemize its two large items of expenditures within the United States; namely, its "Grants and subventions" and its "Payments to affiliates."

As the record of the committee's May 23 hearing shows, the Jewish Agency from January 1, 1955, through December 31, 1962, made payments totaling \$5,100,001.02 to the American Zionist Council to carry on activities within the United States.

As Mr. Hamlin has testified previously, the Jewish Agency provided about 80 percent of the American Zionist Council's funds and at the same time used the Council as a conduit for Agency funds destined for other groups, organizations or individuals.

These payments, prior to October of last year were lumped together under the two headings mentioned above.

Through its failure to require itemization, the Department of Justice and, therefore, the public was unaware of the public relations activities in the interests of Israel carried on within the United States by the Agency. And the Jewish Agency supported organizations and individuals without itemization of such financial support publicly in its Justice Department reports.

The purpose of our hearing this morning is to clarify a number of points raised at the May 23 hearing and to add to the record information received by the committee from a review of additional records provided it by the Jewish Agency.

(Copy of the New York Times article referred to above is as follows:)

[From the New York Times, July 28, 1963]

HOPES AND FEARS ARRIVE IN ISRAEL—IMMIGRANTS' ANXIETY SHOWS AT HAIFA DEBARKATION

(By W. Granger Blair, Special to the New York Times)

HAIFA, ISRAEL, July 20.—The railings of the white ship were crowded as she lay at the wharf of this sun-drenched port city, the water gateway to Israel. There were the tourists, easily identifiable by their casual attire and neat luggage, with a look of anticipation of pleasant, carefree vacation days ahead.

And there were the immigrants: women in kerchiefs and long dresses; bearded patriarchs in coarse, long robes; younger men in business suits with open-neck shirts, and children in shorts and sandals. Around them were piles of parcels and shapeless bundles and suitcases held together by string.

The immigrants too gazed eagerly shoreward but with the uneasiness, touched by resignation, of a people about to take up life in new and unknown surroundings.

Among tourists and immigrants alike the sound of French mixed with unfamiliar Arab dialects was all but drowned out by the music that blared across the hot decks from the ship loudspeakers.

BEWARE OF DIMONA

The loud music was necessary, it was said, to cover such shouted advice as "Don't go to Dimona," that frequently is proffered the new immigrants by friends and relatives ashore who have learned where the living is easy and where the living is hard in Israel.

Dimona is one of the new settlements in the bleak Negev Desert. Many new immigrants are sent to settlements in the desolate areas as part of the Government's efforts to build up the land and to assure a more equitable dispersion of the population away from the main urban centers.

Under the guidance of Jewish Agency officials and with the help of young soldiers, the newcomers to the Promised Land speedily completed the processing procedures. Everything was done to make the arrival as pleasant as possible.

A youngster in his late teens wore a black T-shirt on which was depicted a saxophone surrounded by the words: "Vive les Copains" ("Long live the pals"). Another wore a white T-shirt with a radiant Star of David and under it the inscription: "Vers Israel" ("On to Israel").

DO THEY TWIST?

"What's the capital of Israel, Jerusalem?" asked the youth in black and then added: "Do they twist in the kibbutz?" The youth in white commented tonelessly: "So this is Israel."

A mother carrying her baby said—as did many others aboard—that she had relatives awaiting her in Israel. This seemed an important consideration in her expressions of hope for the future. Then, as though swept by sudden doubts, she said with a wan smile: "May God protect us."

Another immigrant, a young girl without relatives here, said: "My heart is happy to be here."

"But you are all alone," a bystander remarked.

"How can I be alone in a country of 2 million Jews?" she answered.

None of the immigrants questioned by a visitor to the ship gave settlement in Israel as the fulfillment of a cherished dream. Instead, most said they come because "we couldn't stay where we were."

A BIG IMMIGRATION

Israel is experiencing one of the biggest immigrations in recent years. Since the state was founded 15 years ago the Jewish Agency, which is in charge of immigration and absorption, has transported and settled 1,150,000 Jews in Israel at a cost of \$1,500 million.

Sixty percent of the money has come from Jews in the United States; 25 percent from German reparations, and 15 percent from Jews elsewhere in the non-Communist world.

Aboard ship the immigrants signed general housing contracts and were given 10 Israeli pounds (\$3.33) each for pocket money. They also received a snack for the bus trip to their new homes and a larger food parcel to carry them through the first few days.

One of the buses bound for Or Akiva, a coastal settlement near Caesarea 30 miles south of Haifa, carried three families, one with seven children, one with six, and a newly married couple. They were all related.

On one side of the road through dusty Or Akiva are wooden huts that serve as temporary residences for new immigrants, who move according to priority into new apartment buildings that are being constructed in stages on the other side of the road.

ALL OR NONE IN APARTMENT

Normally the newcomers would have had to move into the hut quarter to wait their turn for a modern apartment. But the Jewish Agency field man in Or Akiva decided that for humanitarian reasons the two families could move directly into the more spacious and comfortable apartments. But not the young couple.

Instantly there was a family huddle. Aided by what an agency official described half humorously as "local inciters," the relatives decided that if they could not all be in the new building together they would not get out of the bus.

The Jewish Agency field man—a combination of benevolent dictator, diplomat, and sociologist that one observed described as the "unsung hero" of the absorption program—went to work to keep the wheels of resettlement turning. It took time, many words and much gesturing before the families agreed to abandon the bus.

A few hundred yards down the road, at Israel's only golf club, sun-bronzed men and women smacked the white ball over the lush green fairways. When it got too hot they retired to the breezy club house for a cool drink.

For this purpose the committee has asked Mr. Isadore Hamlin to appear today. Mr. Hamlin is executive director of the Jewish Agency-American Section, Inc.

Mr. Hamlin, we are very glad to have you back again. You will understand, of course, that the oath already taken by you at the earlier meeting at which you appeared will apply to the testimony today.

TESTIMONY OF ISADORE HAMLIN, EXECUTIVE DIRECTOR, JEWISH AGENCY-AMERICAN SECTION, INC.; ACCOMPANIED BY MAURICE M. BOUKSTEIN, ATTORNEY, OF GUZIK & BOUKSTEIN, NEW YORK, N.Y.

Mr. HAMLIN. I do, sir.

The CHAIRMAN. And you are accompanied by your counsel, I believe.

Mr. HAMLIN. Yes, Mr. Maurice M. Boukstein, of New York, and Mrs. Elaine Rosenbaum.

Mr. BOUKSTEIN. Who is a member of my staff, Mr. Chairman.

The CHAIRMAN. Do you have a statement, Mr. Hamlin, you would like to make a preliminary statement?

Mr. HAMLIN. Yes, I do, Mr. Chairman.

The CHAIRMAN. You may proceed.

I may say I expect four members of the Committee. They are delayed but they will be along in a few minutes, I hope.

Mr. HAMLIN. Sir, before I read my statement may I remind you that I have hearing difficulty and it may be necessary for me to repeat your question and, with your indulgence, to ask you to repeat a question if I didn't hear it.

The CHAIRMAN. That is quite all right. These amplifying systems are far from perfect and we all often have difficulty with it. So, don't hesitate to do that.

OPENING STATEMENT BY MR. HAMLIN

Mr. HAMLIN. Mr. Chairman, I wish to thank the committee for according me the privilege of making a statement at this time.

I appear before you as the Executive Director of the Jewish Agency-American Section, Inc., of New York. It is the representative in the United States of the Jewish Agency for Israel, the executive arm of the World Zionist Organization, whose headquarters are in Jerusalem, Israel.

As such, the American Section of the Jewish Agency, registered under the Foreign Agents Registration Act of 1938, as amended, regularly files periodic reports with the Department of Justice and such supplementary data as may be requested from time to time.

The relevance of the work of the American Section (Jewish Agency-American Section, Inc., New York), is better understood in the context of the goals and responsibilities of its parent body, which I shall briefly describe.

The World Zionist Organization is the movement, now some 70 years old, which united Jews the world over in their dream of ending Jewish homelessness; to whom the Balfour Declaration was issued in 1917, and which, under the League of Nations mandate for Palestine, was accorded status as the agency to assist the mandatory government in the objective of establishing the Jewish national homeland in Palestine.

The records of this august body, the Congress of the United States, bear witness to the role played by the United States in the issuance of the Balfour Declaration and the mandate, the objectives of which were endorsed by joint resolution of the U.S. Congress beginning in 1922 and thereafter, and in the attainment of which the United States has played a major role.

The program of the Zionist movement, representing Zionist organizations throughout the world, was twofold.

1. To restore the people of the Bible to the land of the Bible, there to reestablish a Jewish commonwealth, to which every Jew might go and settle as of right.

2. To preserve and extend the Jewish cultural heritage among Jews wherever they might live.

It was not only idealism which prompted its action, but the practical necessity of rescuing Jews from physical oppression, cultural, social and economic discrimination in many lands; prescient awareness of the alarming potential of then incipient fascism, which was to attain its horrendous climax in Hitler's extermination of 6 million Jews.

Thus, the Jewish Agency organized the work of immigration and resettlement; the restoration and development of the land; institutions of higher learning, health, all other essential services; it integrated a Jewish community along democratic lines.

It was the skills and experience acquired by that community, largely through the guidance of the Jewish Agency, that made it possible, when the time came in 1948, to establish a stable and democratic government.

The Jewish Agency, it will bear recalling, though tragically frustrated in its efforts to rescue such Jews as could have found haven in Palestine, nonetheless mobilized the entire Jewish community of Palestine for service to the Allied cause in World War II.

The political role of the Jewish Agency ended on May 15, 1948, when the State of Israel was proclaimed, but not its responsibilities for immigration, resettlement, and rehabilitation.

Its major functions are:

I. Outside of Israel—

Caring for Jewish refugees seeking haven in Israel; preparing them for immigration to Israel at embarkation points; transporting them to Israel.

II. In Israel itself—

(a) Receiving them upon arrival in Israel.

(b) Providing housing for them.

(c) Assistance in finding employment.

(d) Financial help until self-sufficiency has been attained.

(e) Resettlement in agricultural communities.

(f) Integrating these immigrants by providing facilities to learn the Hebrew language through aid to educational institutions and extension courses.

(g) Care for refugee children.

In 1948, there were 650,000 Jews in Israel. The Jewish population today is over 2 million. Of these, 1,100,000 were assisted to settle in Israel by the Jewish Agency since the establishment of the State.

The war had been over for 3 years when the State of Israel was born. But the pitiful remnants of Hitler's extermination were still dangerously crowded in DP camps, in Germany and on the island of Cyprus, barred by the immigration laws of most countries from finding asylum.

Not until the fledgling State opened its doors, did they find haven. What rightfully might have been a charge on the international community became a Jewish responsibility.

Soon events in the Middle East, Asia, and Africa created the need to rescue whole Jewish communities, who arrived destitute. Today, over 1,200,000 Jews who settled in Israel since World War II are free, productive citizens, and attest to the effectiveness of the work of the Jewish Agency.

In 14 years, the Jewish Agency in Israel has spent \$1,500 million on the work described above. Of the fund at the disposal of the Jewish Agency, approximately 40 percent represents charitable contributions by Americans through the United Jewish Appeal.

Recent developments in Africa, Asia, and other parts of the world, and quota restrictions in many countries, forecast a continuation of mass migration into Israel.

The Jews of the world, Zionists, and non-Zionists, have reacted magnificently and responsibly to the needs for help and will continue to do so. The world has recognized the unique achievements of the Jewish Agency.

The work of the American Section is twofold:

1. To help provide incentives for the realization of the second objective of the Zionist movement, that is, to preserve and extend the Jewish cultural heritage.

2. To keep the American public informed of the work done in Israel and to assist the fundraising agencies to obtain imperative financial support for the continuation of this work.

Consonant with the great principle of culture pluralism which is a basic foundation of the United States, the activities of the American Section takes the following form:

1. In the field of public information: Cooperation with and assistance to other groups in providing information about Israel, its people, their problems, their progress.

2. In the field of education:

a. Encouragement of the study of Hebrew in high schools and colleges in the United States.

b. Cooperation with Jewish education bureaus.

c. Sponsorship of seminars and conferences on Jewish education.

d. Encouragement of seminars in Israel for students, teachers and other professionals in the educational field.

e. Maintenance of an institute for adult education, which organizes lectures on Israel; Hebrew study classes, Jewish study groups; and operates a department for the publication of books on Israel and other Jewish topics.

3. Zionist archives and library: Maintenance of the Zionist archives and library, the most comprehensive collection in the United States of publications and other materials on Zionism and Israel.

4. Travel in Israel: Cooperation with numerous youth groups in sponsoring summer camps, seminars, and tours in Israel.

For this work the American Section operates with funds furnished by the Jewish Agency Executive in Israel.

In the conduct of its operations, Mr. Chairman, the American Section is fully conscious of its obligations to comply with the laws of the United States.

Thank you, Mr. Chairman.

INTEREST OF COMMITTEE

The CHAIRMAN. Thank you, Mr. Hamlin.

Mr. Hamlin, I would like to emphasize again that the interest of this committee is only in those activities of your organization carried on in the United States, and we have no idea of investigating, or being concerned with what goes on in Israel.

We are not trying to investigate that at all.

Mr. HAMLIN. I understand that, sir, I heard that this morning.

RELATION TO AMERICAN ZIONIST COUNCIL

The CHAIRMAN. And your statement is a very good statement, but is quite irrelevant to the subject matter that we are investigating here.

As one example that comes to mind, I believe, is it not a fact that the Zionist Council, which you supported, did vigorously oppose the Johnson report with regard to resettlement of the Arab refugees and solicited opposition to that in the United States?

Mr. HAMLIN. Sir, I am not thoroughly acquainted with the operations of the American Zionist Council. I am not a member of their governing body nor am I a member of their staff, and so I don't think I could give you any comment on that question.

The CHAIRMAN. I was thinking of the memorandum on page 1351 of the record of Part 9, which is a memorandum that came from your files.

Mr. HAMLIN. Yes, sir, I read that memorandum.

The CHAIRMAN. Well, the point is, your Agency supports the American Zionist Council, doesn't it?

Mr. HAMLIN. It does, indeed.

The CHAIRMAN. It is one of your affiliates. Don't you consider you have some responsibility for what it does?

Mr. HAMLIN. Sir, the American Zionist Council is managed by an independent group of distinguished U.S. citizens representing all the Zionist movements in this country.

The CHAIRMAN. It isn't financially independent because you support it.

Mr. HAMLIN. Beg pardon?

The CHAIRMAN. You support it, don't you?

Mr. HAMLIN. Yes, sir, we do.

The CHAIRMAN. How independent is a matter of opinion, isn't it?

Mr. HAMLIN. I am sorry, sir, I missed that one.

EXTRACT FROM MINUTES OF EXECUTIVE OF JEWISH AGENCY-AMERICAN SECTION, INC.

The CHAIRMAN. Mr. Hamlin, I show you a copy of a memorandum entitled "Extract From Minutes of Executive of Jewish Agency-American Section" dated May 19, 1961, and ask if these minutes appear in the files of your Agency.

The extract reads as follows:

American Zionist Council: Dr. Goldmann, members know that at the meeting of the Jerusalem Executive held on May 7, it was decided to include in the Jewish Agency budget the sum of \$1,750,000 (\$410,000) and not \$1,080,000 (\$600,000) as originally requested for the activities of the American Zionist Council.

To answer Rabbi Miller's question whether this sum includes the rent, it does; it also includes the INC. allocation.

Is that memorandum an excerpt from the minutes of the files of your Agency?

Mr. HAMLIN. Yes, sir, it is.

PAYMENTS TO AZC AND ALLOCATIONS TO THE INC.

The CHAIRMAN. Were the payments contemplated by this memorandum to cover the fiscal year 1961-62?

Mr. HAMLIN. Would you please repeat that, Mr. Chairman?

The CHAIRMAN. Was the payment contemplated by this memorandum to cover the fiscal year 1961-62?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. Were the payments contemplated by this memorandum actually made?

Mr. HAMLIN. Yes, sir; they were.

The CHAIRMAN. Am I correct in assuming on the basis of this extract that the final decision to make payments to the American Zionist Council rested not with the American Section, but with the Jerusalem Executive?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. What does the closing phrase "It also includes the INC. allocation"—what does that mean?

Mr. HAMLIN. Sir, for a period of a year and a half, the Jewish Agency for Israel, Inc., made terminal grants, that is from the date of April 1960, made terminal grants to the American Zionist Council.

The CHAIRMAN. Does the Agency in Jerusalem allocate these funds as indicated here, to the American Jewish Zionist Council on the one hand, or to the INC., on the other hand?

Mr. HAMLIN. In this period, the Jerusalem Agency decided on this allocation to the American Zionist Council.

The CHAIRMAN. The answer is yes.

Mr. HAMLIN. Yes, sir.

QUESTION OF AGENCY

Mr. BOUKSTEIN. Mr. Chairman, the answer isn't—I believe the witness didn't quite get the whole question. There were two parts in your question, one was on the allocation by the American Section and the other one was on the allocation by the Jewish Agency for Israel, Inc.

Now, the Jewish Agency Executive in Jerusalem did not decide and does not decide and hasn't got the power to decide on any allocations by the Jewish Agency for Israel, Inc.

The CHAIRMAN. Why do you say it hasn't got the power to decide?

Mr. BOUKSTEIN. The Jewish Agency for Israel, Inc., is completely out of the control of the Jewish Agency for Israel in Jerusalem. The fact is that the Jewish Agency in Jerusalem is the agent of the Jewish Agency for Israel, Inc., and not the other way around.

The CHAIRMAN. Well, how do you explain the way this memorandum reads? The members know that the meeting of the Jewish Executive—which is in Israel and is part of the Jewish Agency for Jerusalem—is it not—the Executive that is referred to here?

Mr. BOUKSTEIN. The Executive referred to in the memorandum is obviously Jerusalem, Mr. Chairman.

The CHAIRMAN. It is stated in this meeting—it was decided—who decided it, wasn't it the Executive?

Mr. HAMLIN. The Jerusalem Agency decided.

The CHAIRMAN. Certainly.

Mr. HAMLIN. The Jerusalem Executive in Jerusalem.

The CHAIRMAN. I don't understand Mr. Boukstein's reason that this doesn't indicate control.

Mr. BOUKSTEIN. It is quite simple. They decided on this allocation. In making their allocation they obviously took into account other sources of income which the Council may have had. That is all this was intended. But they didn't decide as to what the Jewish Agency for Israel, Inc., does or does not do.

QUESTION OF INFLUENCE OF POLICIES

The CHAIRMAN. Do you assert, Mr. Boukstein, of your own knowledge, that the Jewish Agency in Jerusalem has no influence over the policies followed by these organizations in America, of which there are many?

Mr. BOUKSTEIN. There is a great deal of contact, Mr. Chairman.

The CHAIRMAN. A great deal, isn't there?

Mr. BOUKSTEIN. Indeed, there must be. There is a great deal of contact but the power of decision lies in the Jewish Agency for Israel, Inc., so far as the disposition of its own funds.

The CHAIRMAN. So far as its narrow, technical, legal, corporate policies are concerned, is that the point you are trying to make?

Mr. BOUKSTEIN. Oh, no, sir.

The CHAIRMAN. You are not trying to say as a matter of practical fact they have no influence, are you?

Mr. BOUKSTEIN. I would say quite to the contrary. I would say this Jewish Agency for Israel, Inc., consisting of the kind of people that it does, including the leadership of the UJA, has a very substantial influence over the activities of the Jewish Agency for Israel in Jerusalem.

The CHAIRMAN. I am sure they do, too. It is both ways, isn't it?

Mr. BOUKSTEIN. There is a mutual relationship, yes.

The CHAIRMAN. Yes.

Mr. BOUKSTEIN. But the question here is one of control and I wanted to make sure that it is understood that the Jewish Agency in Jerusalem does not control the Jewish Agency for Israel, Inc.

NEW PRESIDENT OF ISRAEL

The CHAIRMAN. While we are on this aspect, is it true that the new President of Israel was recently a member of the Jewish Agency of Jerusalem?

Mr. HAMLIN. Yes, he was, sir.

The CHAIRMAN. Is it also true of the Prime Minister?

Mr. HAMLIN. That is right, sir.

The CHAIRMAN. Did they have to resign when they took the offices of President and Prime Minister?

Mr. HAMLIN. They did already, and they were replaced by two other gentlemen.

The CHAIRMAN. Would you say this has any significance as to the closeness of the relationship between the Jewish Agency and the Government of Israel.

Mr. HAMLIN. I would not draw that conclusion. As I explained earlier, in other sessions, Mr. Eshkol was the only member of the Government of Israel who was a member of our Executive.

But he was there for one special purpose, namely, to head our colonization work in Israel and this is a field obviously where the Jewish Agency and the Government of Israel worked in close coordination.

MEMORANDUM OF JULY 10, 1962

The CHAIRMAN. I note that item 10 supplied by you to the committee in answer to a request for the written agreement between the Agency and the American Zionist Council is a memorandum dated July 10, 1962, which also is already part of the record.¹

Is it correct to infer from this agreement that the Zionist Council financing came directly from the Jerusalem Agency rather than by way of the American Section?

That is on page 1420, I believe.

Mr. HAMLIN. Yes, sir, I have that before me.

(A copy of the material referred to follows:)

Item 10. Request for a copy of the written arrangement referred to in a letter dated May 30, 1962, addressed to Dr. I. Moyal, and signed by L. A. Pincus, which reads as follows: (See p. 1334, Pt. 9)

"The details of how we finalize the accounts of the past year and future payments will be worked out during the month of June and then put in writing as an arrangement between us and the American Zionist Council."

The written arrangement referred to in the letter, dated May 30, 1962, addressed to Dr. I. Moyal from Mr. Louis A. Pincus, is a memorandum to Fannie Speiser from Dr. I. Moyal, dated July 10, 1962, a copy of which is herewith attached.

MAY 30, 1962.

Miss FANNIE SPEISER,
Dr. I. MOYAL.

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

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

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

Estimated rent for space occupied by the AZC at 515 Park Ave. (final figure to be agreed upon by Bick, Hamlin, and myself)	\$85,000
Estimated service charges (final figure to be adjusted in accordance with actual services rendered)	68,000
Cash payments:	
(a) 4 weekly payments during April 1962, of \$14,000 each and 1 lump-sum payment of \$10,000	66,000
(b) 4 weekly payments during May 1962, of \$16,000 each	64,000
(c) 5 weekly payments during June 1962, of \$15,000 each	75,000
(d) 13 weekly payments during July, August, and September 1962, of \$12,000 each	156,000
(e) 16 weekly payments of \$8,000 and 10 weekly payments of \$7,000 each during the period October 1962 to March 1963	198,000
Total	712,000

¹ The memorandum referred to appears in Part 9, App. 2, item 10, p. 1480.

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

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

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

The CHAIRMAN. Is it correct to infer from this memorandum, as it reads here, that the financial arrangements for the Zionist Council were directly with the Jerusalem Agency?

Mr. HAMLIN. The Treasurer of the Jewish Agency, Mr. Pincus, negotiated this understanding with the American Zionist Council. Yes, sir.

The CHAIRMAN. We will put that item in the record. It is in the record already.

EXCERPTS OF MINUTES OF JERUSALEM AGENCY

On page 1413 of the printed hearings, part 9, among excerpts of Jerusalem Agency minutes supplied this committee by you there is the following:

Excerpt from minutes of plenary session of Jewish Agency Executive, Jerusalem, dated June 13, 1960:

"Allocations to publications of Zionist groups in the United States—it was decided that the sum that was granted to such publications last year—\$62,000—from the budget of the Jewish Agency will be granted this year. The Jewish Agency Executive, New York, is asked to find a way of including this sum in the budget of the American Zionist Council."

Did you, in fact, place this sum within the American Zionist Council budget?

Mr. HAMLIN. We had a separate budgetary allocation for these payments.

The CHAIRMAN. For what?

Mr. HAMLIN. We had a separate budgetary allocation for these payments to the Zionist groups.

The CHAIRMAN. And did the \$62,000, was it placed in their budget, was it paid to them?

Mr. HAMLIN. No. It was not placed in the budget of the American Zionist Council but the funds were remitted to the Zionist groups through the American Zionist Council.

What this statement means, Mr. Chairman, is that it was our hope, it was the hope of the Jewish Agency Executive, that eventually the Zionist groups composing the American Zionist Council, that is the Council itself, would succeed in developing their own fundraising in the United States, so that eventually this obligation would be taken over by the council itself.

That is the meaning of the wording of this decision.

PAYMENT AND USE OF \$62,000

The CHAIRMAN. Well, can you say whether \$62,000 was paid?

Mr. HAMLIN. Would you repeat that question?

The CHAIRMAN. Was the \$62,000 paid?

Mr. HAMLIN. Yes; it was paid.

The CHAIRMAN. What was that used for by the Zionist Council?

Mr. HAMLIN. The Zionist Council did not use the \$62,000. The Zionist Council passed this money or made this money available to the various Zionist groups.

The CHAIRMAN. For what purpose?

Mr. HAMLIN. These were payments that had been made for many, many years, to the Zionist groups in this country as partial reimbursement to them of expenses they had, particularly in connection with their publications, and their house organs, to assist the fundraising campaigns for Israel.

The CHAIRMAN. Then it is quite clear, if I understand you, that the Jewish Agency Executive in this manner uses the American Zionist Council as the conduit for the dissemination of funds in this country?

Mr. HAMLIN. The American Zionist Council accepted these funds and turned them over to the Zionist groups.

That is right.

The CHAIRMAN. For various purposes.

Mr. HAMLIN. For the purposes I stated. Specifically to reimburse them for expenses in connection with their publications and other services they rendered to assist the fundraising campaigns for Israel.

ROLE OF THE ZIONIST COUNCIL AS CONDUIT OF FUNDS

The CHAIRMAN. Could you tell me why the Agency didn't pay this money directly to the various ultimate users of the funds? Why did it use the Zionist Council as a conduit?

Mr. HAMLIN. The Zionist Council is itself composed of most of these same groups that received these payments. There was a closer connection and relationship between the Zionist Council and these groups than there was between the American Section and these groups. And, secondly, as I stated earlier, we hoped that the Council would take over these responsibilities eventually from us; that is, the Council from funds that it would receive from American sources would be able to take over this responsibility from us.

The CHAIRMAN. Mr. Hamlin—

Mr. HAMLIN. This was a hope.

The CHAIRMAN. Let me make it clear. You have stated before that the Jewish Agency, Jerusalem, supplied these funds, didn't it, to the Zionist Council?

Mr. HAMLIN. The Jewish Agency—American Section provided these—the Jewish Agency, Jerusalem—pardon me, sir.

The Jewish Agency—we receive all our funds, the American Section receives all its funds from the Jewish Agency, Jerusalem.

The CHAIRMAN. Well, in this case that I just went over, I hope—there are so many of these interlocking organizations I would like to keep some of them straight. Didn't we just agree that the Jewish Agency, Jerusalem, paid \$62,000 to the American Zionist Council?

Mr. HAMLIN. No. The Jewish Agency, Jerusalem, I believe—

The CHAIRMAN. I mean gave it to them as a conduit, didn't you just agree to that a moment ago?

Mr. HAMLIN. Yes, sir; I did.

The CHAIRMAN. Well, then please don't say no. You completely confuse the record. I am coming to the point that it wasn't for their personal use, but they used the Zionist Council as a conduit for this money, didn't they?

Mr. HAMLIN. Yes, I stated that.

ROLE OF CONDUIT IN RELATION TO REGISTRATION REQUIREMENTS

The CHAIRMAN. Didn't this, in effect, avoid the clear requirement that would have applied if they paid it directly that they would have to report it under the Foreign Agents Registration Act?

Mr. HAMLIN. That the recipient's organizations would have to register under the Foreign Agents Registration Act?

Do I understand you correctly?

The CHAIRMAN. That the Agency would have to disclose this payment, wouldn't they?

Mr. HAMLIN. The Agency did disclose these payments, sir, in our filings to the Department of Justice.

The CHAIRMAN. To the Zionist Council?

Mr. HAMLIN. These payments were included; yes, sir.

The CHAIRMAN. But you have already said it wasn't for the Zionist Council's purposes. It was for somebody else's purpose and this was concealed by this method of reporting, wasn't it?

Mr. HAMLIN. In our filings with the Department of Justice we stated that these payments were being turned over to the Council to subvent, to assist, the Zionist groups in their public—to help them provide the services to the campaign, to assist fundraising for Israel through their publications.

That purpose was clearly stated.

The CHAIRMAN. Now, Mr. Hamlin—

Mr. HAMLIN. Excuse me, sir.

ITEMIZATION OF PAYMENTS IN REGISTRATION REPORTS

The CHAIRMAN. Mr. Hamlin, let me correct it before you go too far, even that was only done last October after this committee started these studies. You had no itemization prior to that at all; did you?

Mr. HAMLIN. Prior to that—

The CHAIRMAN. None at all?

Mr. HAMLIN. That is right, sir.

The CHAIRMAN. And this was only started last fall, but even under that arrangement of itemization it doesn't show what this money was really used for—if it is used for propaganda, or an effort to influence the Congress or so on. It does not appear in that itemization because of the use of a conduit; does it?

I only wanted to see how this operates, and I can assure you, because I raise my voice doesn't exhibit any anger; you asked me to. [Laughter.]

I am not trying to argue with you; I just wanted to try to get the record clear.

Go ahead.

Mr. BOUKSTEIN. Mr. Chairman—

The CHAIRMAN. All right, Mr. Boukstein.

Mr. BOUKSTEIN. Mr. Chairman, it is clear to me there was a misunderstanding, he thought you were talking of a recent period.

Now, I assume that you were addressing your question to the earlier period. At that time it is absolutely correct that the reports to the Department of Justice were in summary form, a lump-sum payment, certain amount stated to affiliated organizations and the ultimate recipients of the funds were not stated in that report.

QUESTIONS OF DISCLOSURE AND LABELING REQUIREMENTS

The CHAIRMAN. What was done with the money was not clear at all from the report, was it? Isn't that correct?

Mr. BOUKSTEIN. If the Department of Justice wanted more information they could have got it.

The CHAIRMAN. Well, do you think the law puts upon the Department the full responsibility for your disclosure?

Mr. BOUKSTEIN. No, Mr. Chairman; I don't mean that at all. As I think I stated to you in the executive session, we followed the method of reporting which we thought was adequate.

Then in 1962 when the Department felt that this—for some reason felt that this method should be changed, they asked us, and we changed and the details are being reported since that time.

The CHAIRMAN. I think, being as objective as I know how, that under the Foreign Agents Registration Act, the intervention of the Zionist Council between the actual user of the money—that is, the fellow or the organization that actually uses it for payment for work—seems to me to be merely a way of avoiding a disclosure here that should be disclosed as to what is done with the money, because the Zionist Council itself does not register and does not itemize what it does with the money.

Mr. BOUKSTEIN. Mr. Chairman, this is one, what you are saying is a possible inference; but, as I told you during the—and as the witness has stated time and again during the executive session, there never was any attempt to conceal. There was no reason for concealing. If you contend that the Act is not perfect, I as a lawyer may agree with you. You take, for instance, the labeling provision. I as a registered lawyer for a foreign principal can write a letter to The New York Times, and if I wrote on the subject matter which is connected with my work as a lawyer for the Jewish Agency, let's say, I would have to label that letter.

But The New York Times wouldn't have to, if it printed my letter, would not have to reprint the labeling of that letter.

Now, it is a very moot question as to whether the recipient of funds originating from a foreign principal would have to be designated, now maybe that is one of the things that you would like to rectify.

NEED FOR REVISION OF THE LAW

The CHAIRMAN. Exactly, Mr. Boukstein. This is one of the very interesting questions that has arisen not only in this connection but in some other connections as to the application of this Act.

In other words, is it going to be possible to avoid the real operation of the Act, and its disclosure by the use of intermediaries where you give it to A, and A gives it to B, and B gives it to C, and C finally uses it, but by that time nothing whatever is disclosed as to what he does with it. This is exactly the point I am trying to develop as to how it operates, because your very able and acute legal mind has created some situations here that are very difficult for me to understand, and I have tried to.

There are so many different affiliated organizations with very similar names, and it is almost impossible for me to follow just what happens. This is one of the questions.

If this can be done successfully, it would seem to me that a very drastic revision of the law is called for.

Mr. BOUKSTEIN. Mr. Chairman, I would like to say that I think that the purpose of your inquiry is justified, because I do think that this law does require some bringing up to date in a number of respects, and I think this committee has done a very good job.

The CHAIRMAN. Well, I am not sure we have. I am not sure I am a bit more enlightened than I was when I started. I am afraid I am more confused.

But this seems to me to be a case of the one who registers is largely a sort of a conduit and really doesn't do very much. You have to go much further abroad to find out what actually finally is done with the money which comes from the Agency.

LETTER FROM RABINOWITZ FOUNDATION

We had better get along. Mr. Hamlin, at this point I wish to insert in the record a copy of a letter sent to the committee by Mr. Victor Rabinowitz, president of the Louis Rabinowitz Foundation, dated July 29, 1963, in response to the committee's letter offering Mr. Rabinowitz an opportunity to comment on the statements made in the earlier executive hearing concerning the Rabinowitz Foundation.

I will put the entire letter in the record, and there are copies available for distribution.

(The following letter was received for inclusion in the record of the hearings of the Committee on Foreign Relations on the Activities of Nondiplomatic Representatives of Foreign Principals and relates to testimony contained in pt. 9:)

LOUIS M. RABINOWITZ FOUNDATION, INC.,
New York, N.Y., July 29, 1963.

Senator J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR SENATOR FULBRIGHT: You were kind enough to send me excerpts of testimony presented in executive session on May 23 before the Committee on Foreign Relations of the U.S. Senate in which the name of the Louis M. Rabinowitz Foundation was mentioned. I am glad to have this opportunity to comment on the testimony.

The Louis M. Rabinowitz Foundation was created many years ago by my father. Its assets consist of a number of patents and its income is derived almost exclusively from royalties on those patents. It is not a very large foundation, at least in comparison with the Ford Foundation and similar institutions. Its total income has been in the neighborhood of \$150,000 a year and under the

applicable Treasury regulations an equivalent amount has been disbursed in grants each year.

The powers of the foundation are, generally speaking, to make grants for religious, educational, or charitable purposes. In accordance with this policy, the foundation has, over a period of many years, made grants to large numbers of educational institutions; it has made substantial grants to a number of charities and it has given grants for research work in history, archaeology, political science, economics, and related fields.

I succeeded to the presidency of the foundation on the death of my father in 1957. Shortly thereafter, a new board of trustees was elected. I had had no connection with the administration of the foundation affairs prior to that date. In examining the foundation records I found that the foundation had been receiving funds from the American Zionist Council and had been making equivalent grants to the Council on Middle Eastern Affairs. Mr. Schwadran explained to me that this was an accommodation by my father arising out of his deep interest in Middle Eastern affairs and that the practice had been followed for a number of years.

Out of consideration for my father's interest in the matter, the board decided to continue the practice, particularly since there was no resultant depletion in the funds of the foundation and contributions to the work of the Council on Middle Eastern Affairs appeared to fall within the framework and the purposes and powers of the foundation. We had no knowledge that the Jewish Agency had any role in the situation whatsoever and it was certainly never suggested to us that the Jewish Agency was the ultimate source of the funds going to the Council on Middle Eastern Affairs.

In or about February 1963 my secretary advised me that she had received a telephone call to the effect that in the future the foundation would receive some funds directly from the Jewish Agency instead of from the American Zionist Council. Frankly, I paid very little attention to the change; it had no significance to me and I did not even advise the board. I did not know at the time that the Jewish Agency was a representative of the Israeli Government.

Shortly after the hearing before your committee, Mr. Boukstein called me and advised me that some question had been raised before the committee as to the role of the foundation in the financing of the Council on Middle Eastern Affairs. He also mentioned the fact that the Jewish Agency was a representative of the Israeli Government. He said he was calling the matter to my attention because he thought I ought to know about it; he expressed no opinion at all as to the course of conduct the foundation ought to follow in the future. I, thereafter, consulted with the board of the foundation and with counsel and we agreed that the foundation did not wish to be a conduit of funds from the Israeli Government or the Jewish Agency and I so advised Mr. Schwadran. He assured me that neither the Israeli Government nor the American Zionist Council had ever influenced the policies of his publication, and I believe that to be true. I have read the publication occasionally and it seems to be rather academic in nature and quite objective in its editorial policy. We, nevertheless, felt that, under the circumstances, the foundation no longer cared to receive funds from any source for transmittal to the Council on Middle Eastern Affairs. We advised Mr. Schwadran to that effect about 3 weeks ago.

Yours sincerely,

VICTOR RABINOWITZ.

FOUNDATION A CONDUIT FOR AZC GRANTS TO COUNCIL ON MIDDLE EASTERN AFFAIRS

The CHAIRMAN. The part I wish to read that is pertinent to our present point is this, page 2:

Out of consideration for my father's interest in the matter, the board decided to continue the practice, particularly since there was no resultant depletion in the funds of the foundation and contributions to the work of the Council on Middle Eastern Affairs—

I should have started with the previous—I skipped one paragraph. Let me go back. The first paragraph makes it clear. [Reading:]

I succeeded—

This is the writer of the letter, Mr. Victor Rabinowitz—

I succeeded to the presidency of the foundation on the death of my father in 1957. Shortly thereafter, a new board of trustees was elected. I had had no connection with the administration of the foundation affairs prior to that date. In examining the foundation records I found that the foundation had been receiving funds from the American Zionist Council and had been making equivalent grants to the Council on Middle Eastern Affairs. Mr. Schwadran explained to me that this was an accommodation by my father arising out of his deep interest in Middle Eastern affairs and that the practice had been followed for a number of years.

Out of consideration for my father's interest in the matter, the board decided to continue the practice, particularly since there was no resultant depletion in the funds of the foundation and contributions to the work of the Council on Middle Eastern Affairs appeared to fall within the framework and the purposes and powers of the foundation.

NO KNOWLEDGE OF JEWISH AGENCY'S ROLE

I call your attention to this.

We had no knowledge that the Jewish Agency had any role in the situation whatsoever and it was certainly never suggested to us that the Jewish Agency was the ultimate source of the funds going to the Council on Middle Eastern Affairs.

In or about February 1963, my secretary advised me that she had received a telephone call to the effect that in the future the foundation would receive some funds directly from the Jewish Agency instead of from the American Zionist Council. Frankly I paid very little attention to the change; it had no significance to me and I did not even advise the board. I did not know at the time that the Jewish Agency was a representative of the Israeli Government.

Shortly after the hearing before your committee, Mr. Boukstein called me and advised me that some question had been raised before the committee as to the role of the foundation in the financing of the Council on Middle Eastern Affairs. He also mentioned the fact that the Jewish Agency was a representative of the Israeli Government. He said he was calling the matter to my attention because he thought I ought to know about it; he expressed no opinion at all as to the course of conduct the foundation ought to follow in the future. I, thereafter, consulted with the board of the foundation and with counsel and we agreed that the foundation did not wish to be a conduit of funds from the Israeli Government or the Jewish Agency and I so advised Mr. Schwadran. He assured me that neither the Israeli Government nor the American Zionist Council had ever influenced the policies of his publication, and I believe that to be true.

I have read the publication occasionally and it seems to be rather academic in nature and quite objective in its editorial policy. We nevertheless felt that, under the circumstances, the foundation no longer cared to receive funds from any source for transmittal to the Council on Middle Eastern Affairs. We advised Mr. Schwadran (sic) to that effect about 3 weeks ago.

This illustrates to me how not even the conduit, much less the Department of Justice or the Congress, knows the origin of the money and what it is used for in circumstances of this kind.

I think it does present a very important question to the committee as to how this might be dealt with in future legislation. That is why I was trying to develop the point.

MR. BOUKSTEIN'S COMMENTS ON THE RABINOWITZ LETTER

Mr. BOUKSTEIN. Mr. Chairman, inasmuch as my name is mentioned in this letter would you permit me to make a few observations on it?

The CHAIRMAN. Certainly.

Mr. BOUKSTEIN. In the first place, I would like to state very clearly and most emphatically that—

Senator LAUSCHE. Which paragraph are you directing our attention to?

Mr. BOUKSTEIN. I will point that out in a minute, Senator.

While it is true that I invited Mr. Rabinowitz to tell him that the name of the foundation was brought up in the executive session—I felt it was only right and proper I should do so—it is absolutely incorrect that I told him that the Jewish Agency, as he says in the third paragraph of his letter on page 2, it is absolutely incorrect that I said that the Jewish Agency was a representative of the Israeli Government.

I couldn't have said it. No one knows better than I that it isn't so. It just isn't a fact.

He just got mixed up on that.

The CHAIRMAN. That is a matter of opinion, isn't it, really? It is not a factual matter.

Mr. BOUKSTEIN. No, Mr. Chairman, I am sorry this is not a matter of opinion.

The CHAIRMAN. Here again I think the distinction between the strictly legal relationships with the corporate structure is what you are talking about, isn't it?

Mr. BOUKSTEIN. No, I am talking of a fact.

The CHAIRMAN. What is a fact in this connection? To a corporate lawyer, what to a lawyer is a fact may not be to a layman, isn't that correct?

Mr. BOUKSTEIN. Well, Mr. Chairman, I think there are some facts which are facts to lawyers and to laymen as well.

The CHAIRMAN. I am only inviting you to elaborate this connection, if you will.

Mr. BOUKSTEIN. I would be glad to.

The Jewish Agency is an independent body consisting of representatives of Zionist organizations from all over the world, all over the free world, let me say. They have their own constitutional authorities. There is a Congress which meets on the average of approximately every 4 years. It elects its own committees. It consists of designated or elected delegates from all over the world.

The Congress does not have any delegates from the Government of Israel. The majority of the people at the Congress, the majority of delegates are not residents of Israel. The Executive of the Jewish Agency for Israel in Jerusalem is elected by the Congress. It is responsible to the Congress and to its—the Zionist Congress and to its institutions. It has a formal legal agreement with the Government of Israel delineating its operations in Israel which it would have to have in any country where it would operate.

Obviously, taking into account the type of activity that the Jewish Agency is engaged in, immigration, and absorption, resettlement, housing, and so forth, it must have, perforce, it must have if it is to succeed, the closest liaison with the Government, with the host government.

But it is not controlled by, it is not dominated by, it is to some extent aided as it should be, by the Government, but it is completely independent, and therefore, Mr. Chairman, it isn't a matter of opinion at all. It is a matter of fact.

The CHAIRMAN. Then, may I ask you, is Mr. Rabinowitz—he said you told him it was, will you deny that you told him it was?

Mr. BOUKSTEIN. I do, Mr. Chairman.

The CHAIRMAN. Well, that is the main fact of the question.

Mr. BOUKSTEIN. I would like to make one—

The CHAIRMAN. Mr. Rabinowitz is not being truthful, in your opinion?

Mr. BOUKSTEIN. I didn't say he was not being truthful, I said he misunderstood what I said.

The CHAIRMAN. He wrote this committee within 2 days that you told him.

MR. RABINOWITZ'S KNOWLEDGE OF THE ORIGIN OF FUNDS

Mr. BOUKSTEIN. I am sure if Mr. Rabinowitz were here he would make the correction and if it pleases the Chair, I will see to it that he does make the correction. I never told him, because I couldn't have told him, it isn't a fact, that the Agency is a representative of the Israel Government. It just isn't so.

(See Appendix, item B, p. 1778, for letter received from Mr. Rabinowitz subsequent to this hearing in accordance with Mr. Boukstein's request.)

I would like to make, if I may one other observation about his letter.

Now, it is not correct that the Rabinowitz Foundation did not at any time know that the source of the funds originated with the Jewish Agency. Mr. Rabinowitz, the young Mr. Rabinowitz, who is the present head of the foundation may not have known. But his father surely did know, no question about it, and he died not so very long ago.

Now, one other thing, it is our information, and I will be glad to check it for you, Mr. Chairman, that in addition to funds which we made available, which the Jewish Agency-American Section made available for the Rabinowitz Foundation, the Rabinowitz Foundation from its own funds made some contributions to the Council for Middle Eastern Affairs.

The CHAIRMAN. You say recently died. According to this letter or maybe this is inaccurate, do you know when his father died? Mr. Rabinowitz thought he died in 1957.

Mr. BOUKSTEIN. That is not too long ago.

The CHAIRMAN. That is 6 years ago. I would think he would have time to become acquainted with what the foundation is doing.

Mr. BOUKSTEIN. Well, apparently he didn't.

The CHAIRMAN. Then he doesn't pay attention to his affairs.

Mr. BOUKSTEIN. It could be.

The CHAIRMAN. It could be.

Well, I don't wish to belabor the matter, but at least this man, and I am not personally acquainted with Mr. Rabinowitz, but as soon as he discovered the origin of the funds, took the view that he did not wish to be a conduit of such funds and I think this could happen on other foundations, if they do not know where the origin of the funds is, could it not?

Mr. BOUKSTEIN. It could.

JEWISH AGENCY PAYMENTS TO TELEGRAPHIC AGENCY

The CHAIRMAN. Based on material supplied the committee by you and Mr. Hammer, Mr. Hamlin, it would appear that from January 1, 1958, to December 31, 1962, the Jewish Agency made payments totaling \$421,453 to the Jewish Telegraphic Agency while at the same time holding the controlling stock in that News Agency.

Does your Agency still hold the controlling stock in the Telegraphic Agency?

Mr. HAMLIN. Sir, at this moment, we still control the stock, but arrangements have now been completed to turn over the stock to the new board of directors that is taking over the Telegraphic Agency and there are a few technical matters that have to be straightened out before the stock will be turned over to them.

The CHAIRMAN. Does your Agency still give financial support to the Telegraphic Agency?

Mr. HAMLIN. The Agency at this time does not give financial support to the Jewish Telegraphic Agency.

The CHAIRMAN. Who supports it?

Mr. HAMLIN. Sir?

The CHAIRMAN. Who supports it now?

Mr. HAMLIN. The Jewish Communities Welfare Funds in the United States have increased their contributions substantially in the last 2 years to the Jewish Telegraphic Agency.

The CHAIRMAN. Does your Agency still pay Mr. Lipsky, the president of the Telegraphic Agency, a retainer?

Mr. HAMLIN. No, sir, we do not.

The CHAIRMAN. When did you stop that?

Mr. HAMLIN. Mr. Lipsky received one payment several months ago, the beginning of the year.

The CHAIRMAN. Beginning of this year.

Do you know whether Mr. Lipsky ever filed a short form statement with the Department of Justice?

Mr. HAMLIN. Mr. Lipsky, whether he did?

The CHAIRMAN. Yes.

Mr. HAMLIN. I don't know, sir.

REPORTING \$58,000 PAYMENT TO DEPARTMENT OF JUSTICE

The CHAIRMAN. In your reply to a committee inquiry, which appears on page 1422 of Part 9, you stated that payment totaling \$58,000 from the Agency to the Telegraphic Agency during the 6-month period ending September 1961, had erroneously been left out of your amended filing with the Department of Justice.

Have you now corrected this statement with the Department of Justice?

Mr. HAMLIN. We have not yet corrected that but we hope to do so soon.

LETTER AND ATTACHMENT DATED APRIL 19, 1963

The CHAIRMAN. I show you a copy of a letter and attachment dated April 19, 1963, from Will Maslow of the office of the executive director of the American Jewish Congress to Mr. Isaac Hamlin and ask you if you received a copy of this letter together with the attachment.

Mr. HAMLIN. Yes, I did, sir.

(A copy of documents referred to are as follows:)

AMERICAN JEWISH CONGRESS,
OFFICE OF THE EXECUTIVE DIRECTOR,
New York, N.Y., April 19, 1963.

Mr. ISAAC HAMLIN,
Executive Director, Jewish Agency-American Section, Inc.,
New York, N.Y.

DEAR MR. HAMLIN: You have asked me for a report of the work done by the American Jewish Congress under the grant received from the Agency for research into the plight of the Jew behind the Iron Curtain. It is my pleasure to enclose a progress report by Mr. Moshe Decter, the director of this project.

Sincerely,

WILL MASLOW.

P.S.—I hand you herewith a batch of published materials and other works by Mr. Decter.

Jewish Minorities Research, of which Mr. Moshe Decter is the director, has for several years specialized in research on the status and problems of the Jews in the Soviet Union, and secondarily of the Jews in other East European countries.

Its basic primary task has been research, for the purpose of establishing the facts of the situation. This is accomplished in various ways:

(a) Close reading of the Soviet press.

(b) Examination of books, periodicals, and other publications of the U.S.S.R. which are in anyway relevant to questions of Jewish culture, history, and community.

(c) Examination of the various publications—books, newspapers, periodicals—put out by Jewish Communist groups in Poland, France, Canada, Australia, and the United States.

(d) Contacts and discussions with individuals who have had personal experience of life in the U.S.S.R.

(e) Contacts and discussions with American and foreign scholars and experts in the field of Soviet and East European affairs.

Its second task has been dissemination, through various forms of information and documentation on these problems. This is accomplished in several ways:

(a) Distribution of relevant materials produced abroad, chiefly by two research offices in London.

(b) Distribution of analytic and documentary materials which are translated, interpreted, and processed in the office of Jewish Minorities Research.

Its third task has been publications. This has resulted in the publication of several articles by Mr. Decter in various magazines such as Foreign Affairs and the New Leader, and others which are now in process.

Its fourth task has been consultation to provide information and guidance to interested Jewish organizational and community leaders in the United States.

Its fifth task, now in process, is the organization of a Conference on the Status of Soviet Jews. This conference is being sponsored by the following public figures: Supreme Court Justice William O. Douglas, Rev. Dr. Martin Luther King, Jr., Senator Herbert H. Lehman, Episcopal Bishop James A. Pike, Mr. Walter Reuther, Mr. Norman Thomas, Mr. Robert Penn Warren. Mr. Decter is serving as executive secretary in the organizing of the conference.

MOSHE DECTER.

PROGRESS REPORT ON MINORITY PROJECT

The CHAIRMAN. The letter reads as follows:

You have asked me for a report of the work done by the American Jewish Congress under the grant received from the Agency for research into the plight of the Jew behind the Iron Curtain. It is my pleasure to enclose a progress report by Mr. Moshe Decter, the director of this project.

I note that the attached report analyses the work of Mr. Decter of the Jewish Minorities Research and indicates that much of this work involved the dissemination of information concerning the treatment of Jews in the Soviet Union among persons and organizations in the United States.

(See Appendix, Item G, p. 1784.)

LETTER DATED JULY 12, 1962

The CHAIRMAN. I show you in this same connection on a letter on the letterhead of the Jewish Minority Research dated July 19, 1962, from Moshe Decter to Miss F. Speiser and ask you if a copy of this letter appears in your files?

Mr. HAMLIN. It is very difficult to read, Mr. Chairman.

The CHAIRMAN. Here is a better copy. Those thermofax machines are not as perfect as the advertisements would lead you to believe.

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

JEWISH MINORITIES RESEARCH,
New York, N.Y., July 12, 1962.

Miss F. SPEISER,
Jewish Agency,
New York, N.Y.

DEAR MISS SPEISER: I am writing you now in the hope that by doing so I can forestall further delays and inconveniences both to the American Jewish Congress and to myself with regard to my fee payment for August.

As you undoubtedly know, my annual fee is \$12,000, which is paid me through the mechanism of the American Jewish Congress. Since the Congress is good enough to do this service to me and the Agency, it is only proper that they should be accommodated as to the mode of payment which they prefer. Since they use the system of biweekly pay periods, they pay me accordingly, prorated at \$461.54 per pay period. The fact that Itzik and you forward them a check monthly is not wholly relevant to their system. Frequently that check covers the necessary amount—when there are only two pay periods in the given month. But sometimes the monthly check does not suffice, especially when there are three pay periods in the month.

I am burdennig you with all this detail because August is such a month, with three pay periods—August 3, 17, and 31. I am informed by their accounting department that they have something like \$9 left in the account they keep for me. This means, therefore, that they will need a check to cover virtually the entire amount for all three pay periods in August. This comes to \$1,384.62. In addition, I should also like to request a separate check for \$250, to cover expenses incurred and committed. This would bring the total to \$1,634.62, though I would prefer the \$250 check separately with special instructions to the Congress to transmit the amount to me upon their receipt of it.

If you have any questions at all about the request, I would very much appreciate your calling me so that we can straighten everything out in plenty of time.

Very truly yours,

MOSHE DECTER, Director.

FEES PAID MR. DECTER THROUGH THE AJC

The CHAIRMAN. The second paragraph of this letter reads as follows:

As you undoubtedly know, my annual fee is \$12,000, which is paid me through the mechanism of the American Jewish Congress. Since the Congress is good enough to do this service to me and the Agency, it is only proper that they should be accommodated as to the mode of payments which they prefer. Since they use the system of biweekly pay periods, they pay me accordingly, prorated at \$461.54 per pay period. The fact that Itzik and you forward them a check monthly is not wholly relevant to their system. Frequently that check covers the necessary amount—when there are only two pay periods in the given month. But sometimes the monthly check does not suffice, especially when there are three pay periods in the month.

Does this letter accurately describe the arrangements between the American Section, the American Jewish Congress, and Dr. Decter with respect to the annual amount received by Dr. Decter?

First to refresh your memory, who is Miss F. Speiser?

Mr. HAMLIN. She is our acting comptroller, sir.

Mr. HAMLIN. That is right.

The CHAIRMAN. And an employee of yours?

Mr. HAMLIN. That is right.

The CHAIRMAN. And Moshe Decter, who is he?

Mr. HAMLIN. He is a director of this research project.

ARRANGEMENTS BETWEEN AMERICAN SECTION AND THE AMERICAN JEWISH CONGRESS

The CHAIRMAN. Does this statement in this letter accurately describe the arrangement between your American Section and the American Jewish Congress and Dr. Decter?

Mr. HAMLIN. Sir, there was only one arrangement between the American Section and the Congress and that was that we remitted to them \$10,000 a year in order to conduct this project.

Now, Dr. Decter dealt on this matter with Dr. Goldmann, the President of our organization, and I don't know the details of that arrangement.

The CHAIRMAN. Do you know when this project—

Mr. HAMLIN. That is in regard to his salary. That is in regard to his salary.

The CHAIRMAN. Do you know when the project was done?

Mr. HAMLIN. A few years ago, sir. I don't remember the exact year.

The CHAIRMAN. Does the Jewish Agency-American Section, Inc., alone provide all the funds for this project?

Mr. HAMLIN. No, sir. Excuse me. There is further sum from other sources, sir.

The CHAIRMAN. Do you know what sources?

Mr. HAMLIN. Yes, sir, I do.

The CHAIRMAN. What are they?

Mr. HAMLIN. The Israel Office of Information provides \$5,000.

REPORTING GRANTS

The CHAIRMAN. \$5,000.

On the American Section's registration statement these monthly payments are reported as payments to the American Jewish Congress; are they not?

Mr. HAMLIN. Yes, sir, they are.

The CHAIRMAN. And they are reported as grants rather than as a fee, to use Mr. Decter's characterization; is that not correct?

Mr. HAMLIN. Yes, sir; as a grant it was listed, I believe.

The CHAIRMAN. Also the name, Dr. Moshe Decter, and the name, Jewish Minorities Research, does not appear at all on your registration statement; is that correct?

Mr. HAMLIN. Yes, sir, that is correct.

Mr. BOUKSTEIN. May I say a word, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. BOUKSTEIN. I think it would be useful to clarify whether the arrangement concerning this project, the work of which I have seen and it hasn't the remotest connection with any propaganda. In fact, I tried to show the work to the members of your staff, I think they have seen it, but it would be interesting to determine whether the arrangement was made with the American Jewish Congress, which is

an organization, or Mr. Decter, who is a specialist, and who I think is one of their men.

I personally don't know the facts and I can't tell you what they are.

INSULATION OF REGISTRANT FROM PROJECT

The CHAIRMAN. Well, here again it is the same question.

Why didn't the Agency make the arrangement directly with Dr. Decter and report in detail the nature of this project. Here again by using the Congress, the Jewish Congress, you insulate the registrant, which is the Agency, from the project so that it never appears in your registration what the project was.

That is the effect of it.

Mr. BOUKSTEIN. Mr. Chairman, so far as I know Mr. Decter's office is in the American Jewish Congress. He did or does other work for the American Jewish Congress and that is a project which is logically within the purview of the program of work of the American Jewish Congress.

So, I would tend to believe although I am not making this as a categorical statement, that the arrangement was not a personal one or item or organization one, two and three were used to pay him but I think this could possibly pertain, but could well be an arrangement with the American Jewish Congress as such.

EXTRACT OF MINUTES OF FINANCE COMMITTEE MEETING

The CHAIRMAN. Here is an extract—I will show it to you but I will read it first. It is an extract of minutes of the finance committee meeting of March 4, 1960, supplied to us by your Agency.

(A copy of the document referred to follows:)

EXTRACT FROM MINUTES OF THE FINANCE COMMITTEE MEETING, MARCH 4, 1960

III. RUSSIAN PROJECT

Mr. Hamlin reported, on Dr. Goldmann's request, that \$10,000 be allocated to make possible the Russian research project.

It was agreed to allocate the \$10,000 for the project, leaving in abeyance the question whether this project should be part of the Jewish Agency administratively. Dr. Goldmann will be consulted about this matter.

[Chairman reads extract in its entirety.]

The CHAIRMAN. In other words, you could do it either way apparently? It could administratively be part of the Jewish Agency, or the Congress, and you apparently decided in the final analysis to make it a project of the Congress.

But you paid the fee directly, according to these figures.

Now again, I am not questioning the validity of the work or whether that project was a good project; that is quite immaterial. It is how the Agency, the registered agent, operates in subsidizing or paying for activities which never show up on his registration.

The whole purpose of the registration is to reveal what has been done, what is being done by a foreign agent, and, if they are to be allowed to use innumerable conduits or other organizations, who do the work, it completely nullifies the objective, thwarts the objective, of the Foreign Agents Registration Act and that is the only point I am trying to develop.

I am not trying to question how good a project it was.
Do you understand what my point is?

Mr. BOUKSTEIN. Yes, sir.

The CHAIRMAN. Well, does it in your opinion have that effect?

Mr. BOUKSTEIN. You see the relationships, Mr. Chairman, are so close, sometimes, that an outsider can't really quite get the full understanding of what is going on.

I don't want to belabor the point and take your time; but take this case.

Now, the name of Dr. Goldmann was mentioned. Dr. Goldmann is very much interested in this Russian minority problem. He has been to Washington on the subject many times. He happens to be the head of the World Jewish Congress. The American Jewish Congress is an organization affiliated with the World Jewish Congress, and he is in one place in the morning, let's say, and he is in another place in the afternoon and there is bound to be, therefore, a very close working relationship on the working level.

As I said, I don't know whose project, in the end, it became. It could be one or the other. My impression is that it is a project of the American Jewish Congress.

INADEQUACY OF EXISTING LAW

The CHAIRMAN. Mr. Boukstein, you haven't enlightened me as to how we may deal with this matter because you only confirmed my view that under the existing law and the practices, at least, as they are illustrated here, it completely thwarts the purpose of the Foreign Agents Registration Act, because we are not given any information—neither the public nor the Government—as to the nature of these activities and the nature of these projects for which this registrant here is supplied the money.

Mr. BOUKSTEIN. Mr. Chairman, if you would go back to the time when the Foreign Agents Act was made law, in 1938, I think the purpose was altogether different. The language, of course, comprehends everybody; but the purpose at the time was to bring out, into the open, subversive, at that time particularly Nazi activities, and I hope that the law in this respect served its purpose.

But, to the extent that it is still law and to the extent that it is to be applied to other purpose, I certainly agree with you that it needs considerable modification and change.

MEMORANDUM OF JULY 7, 1961

The CHAIRMAN. Thank you, sir.

I show you a copy of a memorandum dated July 7, 1961, from Isadore Hamlin to Miss Fannie Speiser with reference "Russian research project" and ask you if you prepared this memorandum.

Is this another one of the same? It is just the Russian project and ask if you prepared this memorandum. Have you got a copy of it there?

Mr. HAMLIN. Yes, sir.

1720 ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S.

(A copy of the document is as follows:)

THE JEWISH AGENCY—AMERICAN SECTION, INC.,
July 7, 1961.

Memorandum

To: Miss Fannie Speiser.

From: Isadore Hamlin.

Subject: Russian research project.

Further to my memorandum to you, dated June 16, about the Russian research project, you will find attached hereto copy of a memorandum dated July 6, from the Consulate to the Treasury of the State of Israel asking them to transfer to our account the sum of \$5,500. You are asked to carry out the following:

1. Inform the Treasury office that the \$5,500 has to be applied to the joint fund. This would mean that we will have paid up the joint fund through July, but it will require another \$166.66 to round out the payment for the 2 months (June and July).

2. Of the \$5,500 transferred to us by the Consulate, \$4,375 has to be added to our monthly remittances to the American Jewish Congress for the Russian research project in proportionate amounts. However, the beginning date for this new arrangement is May 15, and I ask you, therefore, to pay whatever is due to the American Jewish Congress on this retroactive account from May 15 to date (approximately \$208 for each half month).

The balance (\$5,500 minus \$4,375, namely \$1,125) has to be transmitted to Shapiro [Amer. Jewish Congress] as a separate fund to be held by him for Decter's utilization as a revolving fund, payment for secretarial services, etc.

ISADORE HAMLIN.

[Handwritten below letter:]

Dr. Moyal has indicated his agreement of the above procedure.

As a special favor to Decter, who is leaving Tuesday for vacation, it would be well to carry out the above on Monday.

The CHAIRMAN. This memorandum refers to another memorandum from the Consulate, which I assume is the Israel Consulate, to the Treasury of the State of Israel, asking them to transfer a sum to the accounts of the American Section. Miss Speiser is instructed to write the Israel Treasury that the sum is to be applied to a "Joint Fund."

Do you recognize that memorandum, I mean?

Mr. HAMLIN. Yes, sir; I do.

The CHAIRMAN. And you wrote it?

Mr. HAMLIN. Yes, sir.

JOINT FUND

The CHAIRMAN. What is this Joint Fund referred to?

Mr. HAMLIN. Mr. Chairman, the Joint Fund is a fund composed of moneys contributed by the Jewish Agency, in part, and by the Israel Office of Information.

The CHAIRMAN. Is that the Israel Government?

Mr. HAMLIN. The Israel Office of Information is a part of the Israel Government. Yes, sir, the Consulate General in New York. This Fund was used for public information activities, and the care of Israel students in American universities.

NATURE OF PUBLIC RELATIONS ACTIVITIES

The CHAIRMAN. What was the nature of the public relations activities?

Mr. HAMLIN. Pardon me, sir?

The CHAIRMAN. What is the nature of the public relations activities?

Mr. HAMLIN. Well, in recent years, the only other—the Fund has

¹ Handwritten below letter.

ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S. 1721

been primarily devoted, that is to say, the contribution of the Jewish Agency into this fund was designated, for students primarily, for the care of Israeli students in American universities.

Another project that was part of this fund was to assist from time to time a limited number of U.S. scholars and writers to go to Israel.

CONTROL OF JOINT FUND

The CHAIRMAN. Who controlled the Joint Fund?

Who could write a check on it?

Mr. HAMLIN. The Joint Fund is controlled primarily by the Israel Office of Information. They have all the details. We really don't have the details on it.

The CHAIRMAN. Could you write a check on it?

Mr. HAMLIN. Pardon me, sir?

The CHAIRMAN. Could you write a check on it?

Mr. HAMLIN. No, I could not.

The CHAIRMAN. You could not?

Mr. HAMLIN. No, sir.

The CHAIRMAN. But you contributed to it?

Mr. HAMLIN. That is right.

OPERATION OF JOINT FUND WITH RESPECT TO ISRAEL CONSULATE

The CHAIRMAN. This memorandum continues and I quote:

Of the \$5,500 transferred to us by the Consulate, \$4,375 has to be added to our monthly remittances to the American Jewish Congress for the Russian research project in proportionate amounts.

I ask you, is the American Section here in this instance acting as an agent to make payment of a subsidy with respect to the Russian research project for the State of Israel?

Mr. HAMLIN. No, sir.

The CHAIRMAN. How else do you explain that?

Mr. HAMLIN. This was a method of reconciling various accounts.

Since we owed money to the Joint Fund, we applied the money that the Consulate was paying us to take care of our obligations to the joint fund. It was a purely mechanical method of reconciling the various accounts we have with the Consulate.

The CHAIRMAN. That paragraph 2, I don't see that it's consistent with what you say. It seems to me that the Israel Information Office, in other words, the Israel Government, is paying, at least partially paying, for the Russian project, is it not?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. What?

Mr. HAMLIN. I said this, sir—

The CHAIRMAN. You said "Yes"?

Mr. HAMLIN. Yes.

QUESTION OF DIRECT PAYMENT BY INFORMATION OFFICE TO THE AMERICAN JEWISH CONGRESS

The CHAIRMAN. Do they pay anything directly to the American Congress—Jewish Congress?

Mr. HAMLIN. I have no knowledge. I don't think they do.

The CHAIRMAN. You don't know about it?

Mr. HAMLIN. I don't have any direct knowledge of that.

The CHAIRMAN. They use you, the Agency, then as a conduit in this case to pay the—

Mr. HAMLIN. No, sir. We were not a conduit. It was a matter of channeling the funds to the Congress in an organized way, to compose together the full fund which was \$15,500, to the American Jewish Congress to make this project possible. We were holding, virtually channeling and spacing the remittances of these funds to the Congress.

The CHAIRMAN. Is this project still going on?

Mr. HAMLIN. I beg pardon.

The CHAIRMAN. Is this project still going on?

Mr. HAMLIN. Yes, sir, it is.

The CHAIRMAN. It is?

Mr. HAMLIN. Yes, sir.

EXPLANATION OF RUSSIAN PROJECT

Senator LAUSCHE. Mr. Chairman, can we have an explanation of what this Russian project is?

The CHAIRMAN. Certainly.

Mr. HAMLIN. Senator Lausche, the Russian project is a research project on the status of Jewish minorities in eastern European countries, and particularly in the Soviet Union, and as you know, the Jewish community throughout the world, and the free world itself, has been very much concerned about the treatment of the Jews behind the Iron Curtain and in Soviet Russia.

We, therefore, made these funds available to make this research project possible. They collect information from public sources, from other sources. They put it together in a printed fashion and make it available to individuals and organizations, to press people, to editors, and I might say to governments also, who are interested in this subject. This project has also helped to provide information and materials to conferences that were called by various groups in the United States to deal with this painful question to the Jewish people.

MINUTES OF FINANCE MEETING OF JUNE 6, 1958

The CHAIRMAN. I show you a copy of a memorandum marked "Minutes Finance Committee Meeting, June 6, 1958," and ask if a copy of this memo appears in the files of your Agency.

Mr. HAMLIN. Sir, may I make the remark that this was at a time when I was not the executive director of the Jewish Agency?

The CHAIRMAN. You were an officer, though, weren't you?

Mr. HAMLIN. This is 1958. I was an officer.

The CHAIRMAN. You were an officer?

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. You would know about these matters, wouldn't you?

Mr. HAMLIN. The Finance Committee of the Jewish Agency at that time—I am familiar with this, sir.

The CHAIRMAN. You are?

Mr. HAMLIN. Yes.

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

MINUTES OF FINANCE COMMITTEE MEETING, JUNE 6, 1958

II. SPECIAL PUBLIC RELATIONS

(1) It was decided, with Dr. Goldmann's approval, that the special fund of \$100,000, voted at the plenary session, would be utilized as follows:

(a) To restore the 15-percent cut in part "B" of the special public relations budget (Schwadron, Kenen, et al)-----	\$15,000
(b) For rent of Hasbarah Department-----	37,000
(c) Reserve to be earmarked specifically for special public relations purposes-----	25,000

(2) The Finance Committee will give further scrutiny to part "A" of the special public relations budget (student visitors, speakers from Israel, Films, Negroes, etc.)

(3) It was decided that we demand of the other partner in the joint fund of the special public relations budget to share the costs equally with the Agency.

III. KEREN HAYESOD SUBVENTIONS

The Finance Committee reiterated its earlier decision with regard to the 15-percent cut made in the Keren Hayesod subventions to the Zionist parties.

V. PARTY ALLOCATIONS

Dr. Joseph agreed that the New York treasury will be authorized to pay out dollar portions of the party allocations in the same manner as Jerusalem handles party allocations, namely on a month-by-month basis in accordance with funds available.

SPECIAL PUBLIC RELATIONS BUDGET

The CHAIRMAN. I note that, well it says:

(1) It was decided, with Dr. Goldmann's approval, that the special fund of \$100,000, voted at the plenary session, would be utilized as follows:

(a) To restore the 15 percent cut in part B of the special public relations budget (Schwadron (sic), Kenen, et al.) \$15,000.

What is the special public relations budget?

Mr. HAMLIN. Sir, this was, to be more exact, this was the public relations and special project budget.

This budget concerned itself with the joint fund with the Israel Office of Information to which I referred previously and it referred to two other projects, to the Council for Middle Eastern Affairs which we have also discussed and to the American Zionist Council—that is, to make it possible for the American Zionist Council to purchase subscriptions of the Near East report for a list which they provided to the Near East report.

The Near East report is edited and owned by Mr. I. L. Kenen of Washington, and that was the two special projects we refer to here.

The CHAIRMAN. When you say edited and owned, what do you mean by that?

Mr. HAMLIN. Mr. Kenen owns this publication in Washington, the Near East Report. And the American Zionist Council turned to us and asked us for a special grant to enable them to send this report to a large list of people that they were interested should have the benefit of this information, in the Near East Report.

NEAR EAST REPORT

The CHAIRMAN. Is that Near East Report subsidized completely by the American Zionist Council or by you or by any of your constituent members?

Mr. HAMLIN. I don't know the affairs of the Near East Report. But my guess is that the Near East Report has many more subscribers than that to which we subscribed.

VOTING AT THE PLENARY SESSION

The CHAIRMAN. In the first sentence, it says, "Voted at the plenary session." What is the plenary session?

Mr. HAMLIN. The plenary session is the meeting attended by all the members of the Jewish Agency, that is including the Americans, the six members who reside in the United States.

The CHAIRMAN. Is this the Jewish Agency, Jerusalem?

Mr. HAMLIN. The Jewish Agency, exactly the full body. The six American members periodically go to Jerusalem to sit with their colleagues in Jerusalem and conduct the business of the Jewish Agency, such plenary sessions take place every 8, 9 months, perhaps.

The CHAIRMAN. That is what voted this amount here?

Mr. HAMLIN. That is right, sir.

The CHAIRMAN. And they are the ones who directed that so much money be spent for the Near East Report, for example.

Mr. HAMLIN. No, sir. There the decision was made to restore a hundred thousand dollars to the—to make a hundred thousand dollars again available to the American Section. It was our finance committee in New York that decided on the utilization of that money in this fashion.

The CHAIRMAN. Didn't you notify them as to what you wanted the money for, which inspired them to vote it? I mean did they do this in the dark? These three items here, I assume—

Mr. HAMLIN. Yes, the American members of our executive went to Jerusalem.

The CHAIRMAN. Told them what it was for?

Mr. HAMLIN. And they discussed it and they agreed to make the \$100,000 available.

EXPLANATION OF "PARTY ALLOCATIONS"

The CHAIRMAN. I don't know if this is pertinent at all. I was just curious because I don't understand it. The last one says, "Dr. Joseph agreed that the New York treasury will be authorized to pay out dollar portions of the party allocations."

What is a party allocation? There are all kinds of parties. What does this mean. To what does it refer?

Mr. HAMLIN. Party allocation, these are various groups in Israel who conduct constructive operations in Israel.

The CHAIRMAN. It doesn't have anything to do with what is going on here?

Mr. HAMLIN. No, sir.

The CHAIRMAN. That is all I wanted to know. Political parties in Jerusalem, not here.

Mr. HAMLIN. No, sir.

Mr. BOUKSTEIN. They are not political parties, Mr. Chairman. They are referred to as parties here. But they are actually constructive enterprises of various groups in Israel.

The CHAIRMAN. Item 3 says, "It was decided that we demand of the other partner in the joint fund of the special public relations budget to share the cost equally with the Agency."

Is the other party referred to there the Consulate?

Mr. HAMLIN. The Israel Office of Information. Yes, sir.

SUPPLEMENTARY RECORD TO MINUTES OF JANUARY 24, 1961

The CHAIRMAN. I mean the Information Office. I show you a copy of a memorandum entitled, "Supplementary Record to Minutes of Finance Committee Held on January 24, 1961," and ask if a copy of these minutes appear in the files of your Agency?

Mr. HAMLIN. Yes, sir; they did.

(Copy of the document is as follows:)

SUPPLEMENTARY RECORD TO MINUTES OF FINANCE COMMITTEE HELD ON JANUARY 24, 1961

Noted below are explanations with regard to the cuts in various budgets decided on by the finance committee at its meeting held on January 24.

I. *Grants*.—Reduced from \$30,000 to \$28,000 by the elimination of grant of \$2,000 to Or Hamizrachi.

II. *President's conference*.—Reduced from \$17,500 to \$12,500 on the basis of actual rate of expenditures by the President's conference totaling \$25,000 annually.

III. *Keren Hayesod subventions*.—Reduced from \$62,288 to \$55,800 on the basis of a straight 10-percent cut.

IV. Public relations and special projects

	1960-61	1961-62
(A) Joint program:		
(1) Films, students, visits to Israel.....	\$48,000	\$43,200
(2) Speakers from and to Israel.....	32,000	
(B) Grants:		
(1) Grant A.....	48,000	43,200
(2) Grant B.....	35,000	35,000
(C) Publicity.....	7,223	6,500

The CHAIRMAN. I note under item IV, "Public relations and special projects":

(A) Joint program:

- (1) Films, students, visits to Israel, 1960-61, \$48,000; 1961-62, \$43,200;
- (2) Speakers from and to Israel, 1960-61, \$32,000.

NATURE OF ACTIVITIES AND SUPPORT OF JOINT PROGRAM

I ask you is this the joint program carried on with the Israel Government or the Israel Information Agency? It says joint program, A. Is this the same joint program?

Mr. HAMLIN. If I understand you correctly, you are asking whether the joint program, the funds for the joint program, are derived from this item in our budget?

The CHAIRMAN. Yes; is this the same?

Mr. HAMLIN. Yes, they are.

The CHAIRMAN. The joint program then is paid for from the joint account as we previously discussed; is that correct?

In other words, in this program described under (A) under it is part IV, section A.

Mr. HAMLIN. I don't have the attachments.

The CHAIRMAN. Don't you have a copy of it before you?

Mr. HAMLIN. I just have the top piece.

1726 ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S.

Mr. BOUKSTEIN. We have it, Mr. Chairman; I made it available to the witness.

The CHAIRMAN. I was just identifying the nature of the activity of the joint program.

Mr. HAMLIN. Yes.

The CHAIRMAN. This is the one.

Mr. HAMLIN. Yes, sir.

The CHAIRMAN. Which you shared?

Mr. HAMLIN. Yes, sir, that is the one.

CONTRIBUTIONS OF ISRAELI CONSULATE

The CHAIRMAN. And the Israeli Information Office pays half of it? Do you know how much the Israeli Consulate contributed; did they contribute half of this?

Mr. HAMLIN. In this year they probably contributed half of it, yes. There was an earlier period when we contributed a little more than half.

The CHAIRMAN. Do you know what the size of the whole fund is; are these figures the total size or what?

Mr. HAMLIN. This is, the only thing I can tell you now is that this was our contribution to that fund, the \$43,000.

The CHAIRMAN. Is that the total amount of the fund for the year?

Mr. HAMLIN. That is right, sir. Until April 1, 1962.

FUND PROVIDED TRIPS TO ISRAEL

The CHAIRMAN. Did this fund provide trips to Israel for Americans?

Mr. HAMLIN. As I stated before, one part of this joint project was to provide, to invite American scholars and writers to go to Israel, to visit Israel.

The CHAIRMAN. What kind of writers; newspaper writers?

Mr. HAMLIN. Pardon me?

The CHAIRMAN. Newspaper writers; what kind of writers?

Mr. HAMLIN. I saw the list some years ago when the thing was more of a concern of ours, and the overwhelming bulk of the list was university professors. I remember one clergyman, I remember a clergyman, and there was no preponderance of newspapermen there. There were no newspapermen that I could remember. But this was several years ago.

RECORD OF WHAT THE FUND DID

The CHAIRMAN. Have you got the record of what was done with this Fund?

Mr. HAMLIN. No, sir, we do not.

The CHAIRMAN. What did you do with it?

Mr. HAMLIN. Records of what was done with this Fund?

The CHAIRMAN. Yes; can you supply the committee with what this Fund did?

This is, it says, public relations and special projects. Can you give the committee what was done with these joint funds?

ACTIVITIES OF AGENTS OF FOREIGN PRINCIPALS IN U.S. 1727

(See Appendix, Item A, p. 1777, and letter to Israel Consul General, p. 1778.)

Mr. HAMLIN. Sir, as I stated before, this entire program was administered by the Consulate, and our role in this was to contribute a certain portion of the joint fund.

The CHAIRMAN. Administered by the Consulate.

Mr. HAMLIN. It was administered by the Israel Office of Information of the Consulate; yes, sir.

The CHAIRMAN. All you did was contribute money to it.

Mr. HAMLIN. That is right, sir.

REPORTING OF ACTIVITIES UNDER THE FUND

The CHAIRMAN. Do you report on any of your reports to the Department of Justice activities under this fund, or did you consider that that wasn't your activity?

Mr. HAMLIN. Sir, we reported to the Department of Justice the purposes for which these moneys were given.

The CHAIRMAN. Did you report who you sent to Israel, speak—

Mr. HAMLIN. Let me check one piece of paper here, please.

The CHAIRMAN. Yes.

Mr. HAMLIN. Sir, prior to the supplementary statements the moneys we laid out for the joint fund were included in the overall sums that we reported to the Department of Justice.

The CHAIRMAN. Under what category were they included? Grants or payments to affiliates or what? How would they be reported?

Mr. HAMLIN. I will have to check that to give you the exact answer.

CONTRIBUTIONS TO THE FUND

The CHAIRMAN. Was this fund in the neighborhood of a hundred thousand dollars a year?

Mr. HAMLIN. It was never in the neighborhood of a hundred thousand dollars a year. It was—if my memory serves me, the largest amount we ever contributed was \$60,000, \$65,000.

The CHAIRMAN. That is your contribution.

The funds as a whole would be in the neighborhood of a hundred thousand dollars or more, wouldn't it?

Mr. HAMLIN. Yes; most probably yes.

The CHAIRMAN. Can you supply the committee with what this fund actually did and who it sent to Israel and who they were?

Mr. BOUKSTEIN. Mr. Chairman, the information is in the custody and control of the Israel consulate, and we could not undertake to furnish it. It would be up to them if they would want to make it available.

The CHAIRMAN. Well, you don't think they would refuse a normal request from you to make it available, do you?

Mr. BOUKSTEIN. I don't know.

The CHAIRMAN. Is there any reason why they wouldn't want to make it available?

Mr. BOUKSTEIN. I couldn't comment on it, Mr. Chairman.