

Zionist Role in U.S. Raises New Concern

By Lawrence Mosher
FROM NEW YORK CITY

A little-noticed court case is coming to trial in Washington, D.C., that promises to cast new light on the pervasive but obscured activities in the United States of the world-wide Zionist movement.

The Zionists, organized in Europe in the 1890s and dedicated now to advancing the cause of Israel, are actively involved in this country in fund collecting, disseminating propaganda, and directing political activity of essentially non-Zionist Jewish organizations.

With the festering Middle East war in the background, this Zionist activity is creating special concern in the American Jewish community and in U.S. Government circles. For American Jews, the Zionist insistence on prime allegiance to Israel sometimes raises personal problems of dual loyalty. For official Washington, sensitive to the dangers of a possible Big Power confrontation in the Middle East, there is genuine concern over the undoubted ability of the Zionists to influence U.S. policy in favor of Israel.

For many Americans, the issue in the Middle East usually boils down to the question of Israeli survival. But with Israel's continuing demonstrations of superior military might, the issue is seen in Washington to be less one of survival than one of conditions under which Israel will choose to exist. The problems of long-term stability—the disputed occupation of Arab land, arms control, the emergence of the Palestinians as a political and military force, the Arab refugee problems, among others—are the ones that worry policymakers. It is on these points that the Nixon Administration is finding itself increasingly at odds with the attitudes and policies of Israel—and the Zionists.

Solid information about the inner workings of the Zionist movement is hard to come by. That's one reason the forthcoming case in Washington attracts interest. The case is one of several suits brought by Saul E. Jofes, 55, a former high official of B'nai B'rith, against the organization and its officers. His contention: That the Zionists have used B'nai B'rith, a charitable, religious, tax-exempt American-membership organization, to pursue international political activities contrary to the

B'nai B'rith constitution and in violation of Federal foreign-agent registration and tax laws.

Case documents filed with the Federal District Court in Washington reveal a number of extraordinary relationships between B'nai B'rith, the Zionist establishment, and Israel. There is the New York housewife, for instance, who used B'nai B'rith as a "front" in order to gather information for the Israeli government about the Soviet Union. Another example is how B'nai B'rith was used to funnel funds into India via its Australian affiliate in order to set up an India-Israel Friendship League. The league's purpose was to disseminate pro-Israeli propaganda and undercut Indian sympathy for the Arabs.

In an effort to further define the scope and significance of current Zionist activity, this reporter talked with Zionist executives here in New York, with officials of Jewish organizations, legal scholars, academic authorities on the Middle East, and spokesmen for the United Jewish Appeal and the Israeli Embassy in Washington. Interviews also were conducted with officials in the State Department, the Internal Revenue Service, and the Justice Department. Officers of B'nai B'rith in Washington declined requests for an interview.

To begin with, the world Zionist movement is big business. In the first two decades after Israel's precarious birth in 1948, it channeled an estimated \$4 billion in donations into the country. Following the 1967 Arab-Israeli war, the Zionists raised another \$730,000,000 in just two years. This year, the movement is seeking \$500,000,000 for Israel, much of which will come from the United States.

"When the blood flows, the money flows," observes Gottlieb Hammer, chief Zionist fund collector in this country.

Overseas donations are essential to Israel. And this was never more true than now—for Israel is fast running out of foreign exchange, which it needs to purchase goods abroad. Despite a booming economy, Israel's annual trade deficit has surged to nearly \$1 billion, according to State Department figures, up 54 per cent from a year ago. Military costs will consume 41 per cent of the government's budget, straining even more the country's dwindling reserves of hard currency.

So the government needs all the money its friends abroad can dig up. Collection is a primary job of the Zionist establishment. This poses problems. The Israeli government is one thing; the Zionist movement—the Jewish Agency—is another. The two don't always agree.

In Israel the continuous Zionist campaign for funds is called "Taxing the Diaspora." In the United States it is usually considered akin to campaigns mounted by the Red Cross or the Community Chest, and is conducted under the banner of the United Jewish Appeal (UJA). As a charity, such monies contributed to the UJA are tax-deductible.

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To understand how Israel "taxes the Diaspora," meaning those Jews living outside Israel, one must understand the nature of the relationship between the government of Israel and the "dispersion."

Under the Israeli Law of the Return, all Jews become citizens of Israel automatically as soon as they enter the country. Until they answer the call of *aliyah*, which means the "ingathering" to Israel, they have the "collective duty" to "assist the State of Israel" in most of its major concerns, such as colonization, economic development, and national security.

David Ben-Gurion and his successors up to Mrs. Golda Meir have stressed repeatedly to American Jews that the only way to be a good Zionist is to emigrate to Israel. Israeli government programs submitted periodically to the Knesset list as the first task "the realization of the central mission of the State of Israel: the ingathering of the exiles."

Most American Jews, however, have not responded to the call. During the first 20 years of Israel's existence, from 1948 to 1968, the Israeli Embassy in Washington estimates that 25,000 Americans emigrated to Israel. The total inflow from all over the world was 1,360,000. Hence the emphasis of the Zionist movement in the United States has been more on building solidarity between American Jewry and Israel, in which Judaism, the religion, is merged with the political reality of the Jewish state.

The Zionist Establishment

The chief instrument for achieving this solidarity is the Zionist establishment. In the United States this consists of a number of Zionist groups, such as the Zionist Organization of America; Hadassah, the women's group; and at the top, the U.S. office of the International Zionist Executive, which is also called the Jewish Agency for Israel. American Zionists now number about 750,000 out of a total Jewish population of nearly 6,000,000.

The Jewish Agency's U.S. office, located in New York City, is registered with the Justice Department under the requirements of the Foreign Agents Registration Act of 1938. The purpose of this law is to require "public disclosure by persons engaging in propaganda activities . . . for or on behalf of foreign governments" and other foreign principals so that Americans "may appraise their statements and actions. . . ." The law seeks to keep clear what is American political activity and what is sponsored from abroad.

This is not always done, even with the law. For example, the law requires that all foreign agents mark their propaganda materials "conspicuously" at their beginning, specifying what the foreign relationship is. But nowhere is there such a labeling in the monthly magazine *Midstream*, which is published by the Theodor Herzl Foundation, Inc., which in turn is subsidized by the Jewish Agency in the amount of \$94,000 a year. Emanuel Neumann, chairman of the magazine's editorial board, is one of the two persons who are

registered foreign agents for the Jewish Agency's American office.

A 'Shadow Government'

In Israel the Jewish Agency's mandate stems from what is called the Covenant, an agreement made with the Israeli government in 1954. The Covenant defines the Jewish Agency's functions in broad terms: immigration, agricultural settlement, land acquisition, development enterprises, private investments, cultural activities, and financing. In other countries many of these activities are the responsibility of government. In Israel the Jewish Agency, by assuming many of the chores of the state, operates as a quasi-governmental body. "It is one of the world's best-financed shadow governments," remarks a Reform rabbi in the United States.

In pursuing its interests abroad, the Israeli government has had to be discreet in its outward dealings with the Zionist establishment. International movements are naturally suspect by host governments. There are also differences among the Zionist groups that can be an embarrassment to Israeli embassy officials. Israeli diplomats in Washington, D.C., for example, are currently unhappy with the Zionist Organization of America for pushing causes that are no longer significant to Tel Aviv.

Most American Zionist leaders, however, realize the delicacy of their relationship with the government of Israel. The executive vice president of B'nai B'rith, for example, Rabbi Jay Kaufman, wrote a fellow staffer: "BB (B'nai B'rith) is now playing a greater role in the fate and future of Diaspora Jewry, assuming tasks which the State of Israel cannot legitimately undertake because it is a sovereign state and cannot intrude in the affairs of other nations."

The Co-ordination Board

So how does the Israeli government "tax the Diaspora"? The process begins in Jerusalem at highly secret meetings of what is known as the Co-ordination Board. This board is the controlling link between the government of Israel and the Jewish Agency. Half its members are from the agency and half from the government. The prime minister of Israel is always a member.

At such meetings, which are held at least once a month, decisions are made concerning what is to be done, and by whom. This varies mostly according to the financial capacity of the state. For example, until recently the state could not afford to provide public education beyond the eighth grade. So the Jewish Agency undertook to build high schools all over Israel. Now the state is responsible for education up to the 10th grade.

Until the June 1967 war the state paid about one-half of the costs of Jewish Agency programs. The remainder of the financial support came from overseas contributions. Now the state contribution, because of the Arab-Israeli war and the costs of occupation, has been cut to about one-third. And the Jewish Agency has taken over more of the government's bur-

dens of housing, welfare payments, medical service, university grants, and geriatric care.

The Jewish Agency sets its budget, which this year runs to \$380,000,000, and that budget is placed before its chief foreign benefactor, a New York corporation called the United Israel Appeal (UIA). The UIA is the chief recipient of UJA donations going abroad. The UIA gets from 60 per cent to 70 per cent of all UJA monies collected in the United States, according to UJA spokesmen. The remaining 30-to-40 per cent is used for charitable activities in the United States.

'What's Your Pleasure?'

The scenario, according to Mr. Hammer, the UIA's executive vice chairman, goes like this: "The treasury of the Jewish Agency says, 'Gentlemen, what's your pleasure? What do you want to allocate?' Then we make our choices, on a line-by-line basis."

Mr. Hammer likes to stress how this budgetary procedure establishes American control over how the tax-free UJA funds are spent in Israel. It is an important point, because without clear American control such funds would not be tax-exempt. "Contributions will not be deductible," says the Internal Revenue Service, "if made to an organization that is merely a conduit of funds to a foreign organization."

If the transfer of monies were not a banking transaction, it could be done by merely ascending from the 11th to the 12th floors at 515 Park Ave. in midtown Man-



From the Jerusalem Post

hattan. Mr. Hammer and the UIA occupy the building's 11th floor; the Jewish Agency is located on its 12th floor. In fact, the Zionist establishment—in this case represented by the UIA—owns the entire building, including a penthouse above the Jewish Agency's executive suite.

Since leaving a banking job years ago Mr. Hammer has ridden almost all the corporate horses of the Zionist establishment in New York. From 1949 to 1960 he was executive director of the Jewish Agency for Israel, Inc. (JA Inc.), the now

defunct registered foreign agent of the Jerusalem-based organization. "Then we began to recognize the U.S. Government's concern over tax-exempt organizations," Mr. Hammer explains, "and so JA Inc. was reorganized to make American contributors feel they had a hand in it." Mr. Hammer continued as executive vice chairman.

When the JA Inc. was rearranged to give it more of an American flavor, it ceased being a foreign agent, and a new corporation called the Jewish Agency, American Section, was formed to be the foreign agent. In 1966, another corporate maneuver occurred when JA Inc. was merged with the original Zionist collection arm, called the Palestine Foundation Fund. The new unit took the name United Israel Appeal, and Mr. Hammer continued as the top executive.

Overlap of Leadership

The collective nature of this part of the Zionist structure can perhaps best be described by noting the overlap of leadership among the three key organizations—the Jewish Agency, UIA, and UJA. One of the Jewish Agency's two registered foreign agents also is a vice chairman of the UIA. The other foreign agent is a UIA director and former president of Hadassah. Mr. Hammer, the executive vice chairman of UIA, also is a UJA secretary.

The apparatus for fund raising is centered on the 29th floor of Manhattan's Sperry Rand Building.

"The campaign follows the sun," says Raphael Levy, UJA's director of public affairs, as he displays a 48-page directory listing some 235 Jewish communities throughout the country. New York City requires an immense effort, he says. The campaign here takes six months and involves holding some 8,000 meetings of industrial and trade groups.

"The question is, how do you get at it?" Mr. Levy explains. "Then this fantastic structure grew up of having employe meetings. If you want a man to give properly, you get him to give among his peers."

This principle seems to work just as well with the five-figure quota donors as with those in lower income brackets. Just how successfully, however, comes close to being a state secret. UJA, UIA, and JA people refuse to disclose figures. It was reported from Israel, however, that the Jewish Agency has taken in more than \$500,000,000 from the United States since the June 1967 war. Last year UJA donations sent to Israel totaled about \$150,000,000, according to a State Department estimate.

"It's as simple as this," a UJA official explains. "Most contributors are proud of what Israel has done. It has changed the image of Jews by adding courage and dignity."

But not all American Jews agree. While remaining staunchly pro-Israeli, some critics of the Zionist establishment resent its tactics and the international

blurring of national loyalties. The court case coming up this fall in Washington, D.C., will make precisely that point.

Until 1967, Mr. Jofes was secretary general of the B'nai B'rith International Council. Mr. Jofes was fired after 22 years of service, and he is now suing the national organization's executive vice president, Rabbi Kaufman, for libel. In support of his contentions, Mr. Jofes has placed in the records some revealing documents.

There is, for instance, the curious "employment" by B'nai B'rith of a Riverdale, N.Y., matron who was actually financed and controlled by the Israeli consulate in New York City. Mrs. Avis Shulman, the wife of a prominent rabbi who has since died, was given the job of setting up "saturation briefings" for American Jews visiting the Soviet Union. Her main duty was to channel information back to the Israeli government on who went to the Soviet Union and what Russians visited the United States.

"Jewish organizations, particularly B'nai B'rith, are especially useful," Mrs. Shulman noted in her request for a "base of operation." Her requirements were a title, an office, stationery, and a telephone. She suggested a subcommittee could be "invented" with her "as secretary," to give her "a handle that could be relatively inconspicuous but meaningful."

Maintaining Secrecy

The man who ran B'nai B'rith's United Nations bureau discussed Mrs. Shulman's arrangements with Israeli consulate officials, whom he referred to as "our friends" in interoffice correspondence. In November 1960, when Mrs. Shulman began work, he wrote his B'nai B'rith superiors that the Israelis insisted that Mrs. Shulman "report only to them" and "they wanted but very few people [within B'nai B'rith] to know the inner workings of the operation."

From the outset Mr. Jofes, who was in charge of B'nai B'rith's international activities, insists that he was vigorously opposed to the Shulman "front." "I am appalled at the potential harm this operation could have for some of our overseas people in countries endeavoring to maintain 'neutrality,'" he wrote. He also advised his superiors to read the U.S. Foreign Agents Registration Act.

Although the Shulman affair was terminated the following year, it was only the beginning of Mr. Jofes' struggle against what he calls the Zionist "take-over" of B'nai B'rith's international operations. In his deposition testimony he recounts that after returning from a trip to South Africa where he worked to establish B'nai B'rith lodges, he received a warning from Dr. William A. Wexler, B'nai B'rith's president.

"Well, they are not pleased with your development of B'nai B'rith over at the Israel Embassy because it will probably interfere with what they are trying to do in the development of aliyah [immigration to Israel] . . .," Mr. Jofes recalled Dr.

Wexler as telling him. "In other words," Mr. Jofes continues, "I had understood I was supposed to develop B'nai B'rith along national lines throughout the world. That's what I was doing. And suddenly I ran full face into . . . the ideology of B'nai B'rith itself taking a secondary role in fostering the interests of a foreign power."

'Many Loyalties'

American Zionists, such as Isadore Hamlin at the Jewish Agency offices here, see nothing wrong with such a role. "The American people are beginning to understand multiple loyalties," he says. "Any intelligent person living in this century has to have many loyalties."

But Dr. Nahum Goldmann, the international Zionist leader in Israel who used to run the Jewish Agency, now believes Israeli nationalism poses a difficult dilemma for Jews living outside Israel. In the April issue of *Foreign Affairs Quarterly* Dr. Goldmann writes that Israel's "participation in international politics and its conflict with the Arab countries must inevitably bring Israeli policies into situations that clash with the political attitudes of many other states."

Just such a clash of national interests is now occurring between the United States and Israel over the fate of the Arab lands currently occupied by Israeli forces. Last December Secretary of State William P. Rogers reaffirmed the basic American Mideast policy of territorial integrity. In other words, Israel would be expected to hand back most of the territories it took in the 1967 war. The Israeli government's reaction was an attack against the Nixon Administration for attempting to "impose" a peace settlement with the Arabs.

In this conflict American Zionists would seem to be tied to the Israeli *fait accompli* of colonizing the occupied lands. Some 25 *nahals* (military farming settlements) and other colonies already have been established on Syria's Golan Heights, Jordan's West Bank, and Egypt's Sinai Peninsula.

Conflicting Attitudes

How immigration ties in with Israel's action in the occupied territories was revealed in an unpublicized report made to the 27th Zionist Congress meeting in Jerusalem in June 1968, one year after the Six-Day war. Although the Israeli government continues to say it is prepared to negotiate the return of the occupied lands, the Jewish Agency report indicates an opposite intention.

The agency reported concern over how "to populate with Jews the newly liberated areas" when immigration had slowed to a trickle. Revealing a long-standing Israeli ambition to possess more Arab land, the agency said the question of increasing immigration "was urgent even prior to the Six-Day War" and "is even more urgent today, following the liberation of those areas of Eretz Israel [all of former Palestine] on the west bank of the Jordan."

How is an American Jew to respond to this? At the UJA one way is to sidestep the

Zionist issue. "We don't attempt to define Zionism," says Mr. Levy, the UJA's public-affairs man. "We don't attempt to get into political fights." Mr. Levy then describes the UJA role this way: "The No. 1 objective of the UJA is to save a Jewish life wherever it can be saved."

This statement was tragically on point several decades ago. But of the 100,000 Jewish immigrants who have entered Israel since the 1967 war, almost half came from Western countries where there was no overt persecution.

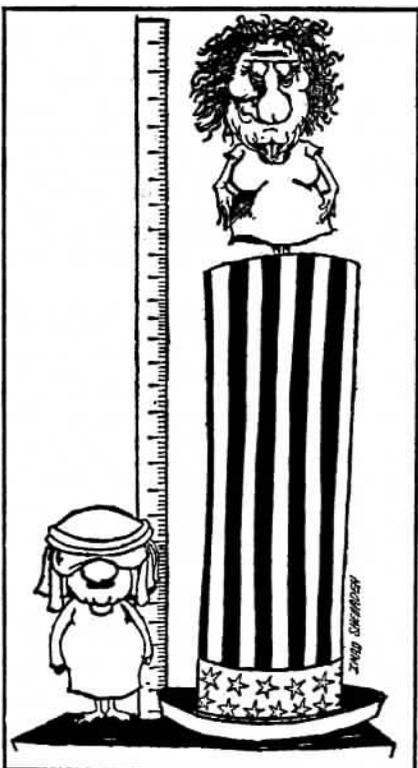
Today the Jewish Agency's good works—supported by tax-exempt U.S. donations—embrace an entire nation. In Israel the Jewish Agency is one of the country's largest landowners. In addition to facilitating immigration, it builds kibbutzes, schools, and water-supply systems. It has started industries, and still owns part of Israel's national airline, El Al.

"Transportation of immigrants, housing, social services, job rehabilitation—it's a nation-building job, not just a relief job," says the UIA's Mr. Hammer. "We did not create an alms house in Israel, but a vibrant Jewish community."

Establishing the Tie

Last August the Justice Department, goaded by the legal scholarship of a George Washington University law professor, W. T. Mallison, Jr., forced the Jewish Agency's New York office to file its Covenant linking it to the Israeli government as part of its foreign registration. The Justice Department acted under that part of the Foreign Agents Registration Act requiring information showing the extent an organization is "supervised, directed, owned, controlled, financed, or subsidized in whole or in part by any government of a foreign country. . . ."

If the Jewish Agency is in fact part of the Israeli government, then the agency's participation in the two-day political protest rally staged in Washington last January against the Nixon Administration's Middle East policy was probably extra-legal. The Jewish Agency is a leading member of the rally's sponsor, the Conference of Major American Jewish Organizations, and supports it with a \$4,000 stipend every six months. In addition, the Zionist establishment in New York supplies office space for the Conference staff in its 515 Park Ave. building.



From the Daily Star in Beirut

During the rally, I. L. Kenen, a registered Washington lobbyist, provided participants with a four-page "summary of argument" on what to say to their congressmen, and a tally sheet to be returned to him on what the congressional response was. Mr. Kenen, who was once on the Jewish Agency payroll until a Senate investigation in 1963 revealed his Zionist connections, is executive vice chairman of the American Israel Public Affairs Committee. Today he continues to mirror Israel government views as a lobbyist and through a weekly publication he circulates called Near East Report.

Treaty Violation?

Professor Mallison, in an article published in the William and Mary Law Re-

view's Spring 1968 issue, believes that the Jewish Agency operation in the United States violates the Treaty of Friendship, Commerce, and Navigation between the United States and Israel. The 1954 treaty specifically denies Israel the right "to engage in political activities" in the United States. State Department officials, however, are reluctant to act on Professor Mallison's charge. "We cannot adduce any direct evidence yet," one high-ranking official told The National Observer.

In 1963 the Senate Foreign Relations Committee investigated the Jewish Agency and uncovered a "conduit" operation run by an organization called the American Zionist Council. Over an eight-year period this council received more than \$5,000,000 from the Jewish Agency to create a favorable public opinion in this country for Israeli government policies. The Senate investigation closed down the conduit, but the extensive propaganda activities still go on.

The Senate committee still maintains an interest in the Jewish Agency and its influence on the formulation of U.S. foreign policy. The committee's chairman, Sen. J. William Fulbright, has called the Israeli criticism of U.S. Mideast policy "a rather unseemly attack," in view of the UJA's current \$500,000,000 drive. "As everyone knows," the Arkansas Democrat said, the UJA campaign "is tax-deductible" and "adds to the foreign exchange of Israel for the purchase of anything, including arms."

The dilemma for American Jews posed by the Middle East conflict was expressed recently by Rabbi Elmer Berger, a Reform Jew here and a long-time anti-Zionist.

"The real political-economic question," said Rabbi Berger, "is how long all parties concerned—the Fulbrights, the U.S. Government generally, the American people—will take kindly to a subsidy for a policy of Israeli occupation [of Arab lands] with which the United States in its own interests, and the interests of peace, is in opposition."

Then, noting the strong emotions that continue to possess so many of his generation, the rabbi added poignantly: "For many American Jews, helping Israel has become a way of life."