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FEB 25 1948

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Mr. Jerome Unger
Zionist Organization of America
41 E. 42nd Street
New York, N. Y.

Dear Mr. Unger:

On February 18, 1948, Mr. Schulson conferred with members of this Department regarding the obligations of the Zionist Organization of America (ZOA) under the terms of the Foreign Agents Registration Act of 1938, as amended.

At the request of Mr. Schulson I am outlining herewith the facts upon which the request for registration was based. At the outset it should be noted that the term "agent" as used and defined in Section 1(c) of the Act is much broader than the meaning usually given to that word in ordinary legal parlance. In effect, the Act substitutes for the common-law definition of agency a course of activity to establish the relationship of agent and principal.

The World Zionist Organization is a foreign principal within the meaning of Section 1(b)(4) of the Foreign Agents Registration Act as an organization having its principal place of business in a foreign country. The ZOA is an agent of the World Zionist Organization within the meaning of the Act because it would appear that the ZOA is subordinated to it and in some measure has its affairs directed by the World Zionist Organization as a result of the constitutional provisions governing both organizations. Thus, Article II, Section 1 of the constitution of the ZOA states "The Zionist Organization of America shall be affiliated with and shall elect delegates and alternates to the Congress of the World Zionist Organization, pursuant to its statutes, rules and regulations." (italics added).

Section 6, Article 79 of the Constitution of the World Zionist Organization, captioned "Discipline" states:

"(1) The adhesion to the [World] Zionist Organization presupposes subordination to its laws and the resolutions of its governing bodies.

"(2)(a) External political negotiations with Governments and the League of Nations may be conducted by Zionists and Zionist groups only with the approval of the Executive [Committee of the WZO].

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"(b) In special cases the Executive can demand that special political actions of another kind which fall within the sphere of competence of the Executive shall be undertaken only with its approval.

"(3) The adhesion of persons and bodies to the [World] Zionist Organisation presupposes that in all Zionist questions the duty of discipline in regard to the [World] Zionist Organisation must take precedence over the duty of discipline in regard to any other organisation."

To implement the foregoing constitutional provisions of the World Zionist Organisation of America the constitution of the ZOA provides in Article IX, Section 10:

"Except with respect to the powers expressly vested by this Constitution in the Executive or Administrative Council, the Executive and Administrative may exercise concurrently the following powers:

'(a) . . . to determine subject to the authority . . . of the World Zionist Congress all questions of Zionist policy"

In addition to being subordinated to and in some measure controlled by the World Zionist Organization, the ZOA is a levying and collecting agent for and on behalf of the World Zionist Organization in its collection and transmission of the Shekel. Article 64 of the Constitution of the World Zionist Organization provides that the Shekel shall be collected and remitted, without deduction, by the constituent organizations to the Executive of the World Zionist Organization at intervals to be fixed by the Executive and that only the Shekel receipts issued by the Executive or on its behalf shall be valid. The ZOA collects the Shekel for the World Zionist Organization at the same time that it collects dues for membership in the ZOA. Article V, Section 1 of the Constitution of the ZOA states:

"Membership dues of the Zionist Organization shall be \$5.00 per annum, which shall include payment of the Shekel to the World Zionist Organization."

No exemption from registration is available to the ZOA since it engages in political activity as that term is defined by Rule 100. While many examples of the political activities in which the ZOA has engaged could be cited, the following should be sufficient. / In the Palestine Year Book, for 1945, in vol. 1, page 377, it was stated that - "Through the efforts of the American Zionist Emergency Council (of which the ZOA composes an integral part) thirty-five state legislatures have passed resolutions favoring the Jewish Commonwealth in Palestine, and their governors have issued proclamations to that effect. The pre-occupation of large sections of the United States Congress with the

Palastine question may in no small measure be traced to the public relations activities of the Zionist Organization (of America)."
Further, the ZOA in the above cited article takes for itself the credit for having both major political parties in the United States adopt Palestine planks in their platforms in the 1944 Presidential Campaign.

During the course of the conference on February 18, 1949, Mr. Schulson stated that the ZOA was reluctant to file a registration statement because of the possible adverse publicity which may result. In this connection, I wish to assure you that the Foreign Agents Registration Act is nothing more than a disclosure statute requiring no more for compliance than the ministerial act of filing a set of registration forms. Your attention is invited to the statement made in the introductory statement of a pamphlet containing a reprint of the Act which states as follows:

"Registration under the Act in no way places any limitation on the activities which may be engaged in by an agent of a foreign principal, and places no stigma on any person registering. It may be assumed that persons who are legitimately engaged as agents of foreign principals have nothing to fear from public disclosure of their activities."

Mr. Schulson also stated that you might be concerned over the possible public reaction to the label required by Section 4 of the Act which would have to be placed on material distributed by the ZOA. In this connection it should be made clear that, in the first place, no material need be labeled or filed except that which is political propaganda, under the definition of the Act, and secondly, that the label need contain no information which is not now generally known to the public at large. A suggested label for use by the Zionist Organization could read as follows:

"Distributed by the Zionist Organization of America which is registered with the Department of Justice under 56 Stat. 248-258, and where its registration statement is available for public inspection as an agent of the World Zionist Organization. A copy of this material has been filed with that Department and the fact of registration does not indicate approval or disapproval by the United States Government of the contents herein."

As you know, this matter has been under consideration by both the ZOA and this Department for a considerable time. It can readily be seen, therefore, that in view of the foregoing a registration statement should be submitted without undue delay.

Sincerely yours,

SIGNATURE

William E. Foley, Acting Chief
Foreign Agents Registration Section.