

## Chapter 4

### **THE CJF AND THE JEWISH AGENCY: RELATIONS BEFORE THE 1971 RECONSTITUTION**

Ernest Stock

The Council of Jewish Federations (CJF)<sup>1</sup> today forms an integral part of the complex of American Jewish organizations which play an active role in the governance of the Jewish Agency. Its role, indeed, is so pivotal that it is difficult to imagine an earlier time when the Council was perceived by the Jewish Agency to be not merely an outsider but even an adversary, as was the case throughout the 1940s and well into the 1950s.

A change came about gradually over the following decade through the confluence of several factors, among them the incumbency of Louis Pincus as Treasurer and then Chairman of the Jewish Agency; the reorganization of the Jewish Agency in New York from being the "agent" of the Jerusalem Executive to becoming its principal and an autonomous American body; its amalgamation with the United Israel Appeal in 1966; and the Six-Day War and subsequent reconstitution of the entire structure in 1971.<sup>2</sup>

Harry L. Lurie, the first Executive Director of the Council (1932-1954), describes the roots of that initial perception in his work on the early history of the Federation movement in America:

The two principal agencies working overseas, the Joint Distribution Committee and the United Palestine Appeal, were for many years competitive in their approach to contributors. The division of American Jewry into Zionist-affiliated individuals and non- or anti-Zionists was an important element in the competition. Since welfare fund policy was to seek contributions to a common fund from all persons despite their special interests or affiliations, it was essential that both the JDC, which was concentrating its efforts on European aid, and the United Palestine Appeal, which was engaged in central fund-raising for the major Zionist programs in Palestine, should be included as beneficiaries of local central fund-raising organizations....Like other national agencies, the agencies raising funds for overseas work sometimes took a negative attitude toward the development of central fund-raising, which would supersede their independent campaign efforts.<sup>3</sup>

A specific source of the "negative attitude" toward the Council was its role in what Lurie calls the "instability" of the United Jewish Appeal (UJA) in the years after its founding in 1939 (to a large extent due to CJF pressure). While the merged campaign was successful in securing greater funds, there was bitter acrimony when it came to distributing the proceeds. "Each agency continued to feel that its program warranted a larger proportion of the funds being raised in welfare fund cities than the percentage which had been negotiated....Because of continuing and unresolved disagreements, the UJA was dissolved at the end of 1940...and the two agencies announced that they would conduct separate campaigns for 1941. The main source of difficulty seemed to be in the proportion of funds to be allocated to the National Refugee Service."<sup>4</sup>

At the Council's insistence, the NRS (predecessor agency to the United Service for New Americans and the New York Association for New Americans) had been incorporated into the UJA, over the opposition of the United Palestine Appeal (UPA) and its

constituents, primarily the WZO/Jewish Agency (as it was then). They saw the large budgetary requirements of the refugee services being met by the UJA at their expense, and preferred to go back to independent campaigning. However, on the basis of a study of needs and allocations by Columbia University economist Eli Ginzburg, coupled with strong pressure by the federations as expressed at their General Assembly in February of 1941, negotiations were resumed and an agreement reached in March of that year.

In 1944, however, it looked as though the UJA might again break apart, and separate national campaigns were announced by the JDC, UPA and NRS. This time the Council went to unusual lengths to prevent the split. Its president, Sidney Hollander, went to Washington and obtained a ruling from the War Relief Control Board — a federal agency set up to coordinate the numerous war relief appeals — that a United Jewish Appeal was essential to the war effort and must not be dissolved.

In retrospect, this was a constructive act, but the Zionist leadership was extremely angry at Hollander — and the Council — for involving the federal government in an internal Jewish dispute.

The difficulties within the UJA were eventually resolved and, especially after the campaign reached the \$100 million mark with the birth of the State of Israel in 1948, the annual agreements among the partners were negotiated in a spirit of harmony.

But now the Council came to be seen in a negative light from another perspective. The welfare funds, which had been established by the federations in the 1930s as the communities' arm for dealing with allocations to national and overseas agencies, were being absorbed into the parent federations. The proceeds of the one annual federation campaign, therefore, were being divided among the community's own local agencies and the UJA (as well as other national and overseas agencies). Negotiations between UJA and the federations over the UJA share took place in connection with every campaign and were frequently characterized by hard bargaining. However, since each local federation had its own allocations committee, the CJF played no direct role in the process.

The impression, nevertheless, persisted on the Jewish Agency side that the Council was the spokesman for the interest of the federations in retaining the maximum share of campaign proceeds for local causes, as against the "overseas" interest represented by the UJA. While the annual bargaining process with the individual communities was acknowledged as an inevitable aspect of the central campaign, the Agency saw a latent or actual threat in policies pursued by the Council as a collective entity. One such policy was "National Advisory Budgeting," as it was pursued vigorously by Harry Lurie. He defines it thus in his book, relating it to the collapse of the short-lived American Jewish Conference (in 1943):

It had seemed theoretically possible that...a structure for Jewish communal action might evolve on the national scene somewhat analogous to the local federations and community councils....Federation, with its central planning, fund-raising and budgeting, could operate successfully on the local scene because it was easier to allay group suspicions and individual rivalries and to achieve group cooperation on the basis of face to face association within a limited geographical area....But on the amorphous national scene...its sectional differences resulted in an inability to overcome the limitations inherent in the derivative kind of representation necessary for the action of national bodies.

"National advisory budgeting" was a proposal developed in the CJFWF and by many of its local constituent agencies. It was designed to achieve a unified national procedure for assisting local welfare funds to make equitable allocations among the numerous national and overseas beneficiaries of central campaigns.<sup>5</sup>

According to Lurie, the main reason the proposal aroused such violent opposition was that the opponents were strongly convinced that an objective and unbiased appraisal of needs and recommendations for funds required by the various agencies was impossible at this juncture in American Jewish communal organization. "They believed that everyone who might be enlisted for the national budgeting service, no matter how well-intentioned, would have a specific ideological approach to Jew-

ish life....Though the proposal involved only the making of advisory judgments...the opponents believed there would be a tendency to accept such recommendations as authoritative rather than advisory, and this in their opinion might be unfair to specific organizations...."<sup>6</sup>

Although a referendum among the Council's member agencies resulted in a slight majority in favor, its Board decided not to proceed with the project. Instead, it would try to enlarge the fact-finding services of the CJF concerning the work and financial experience of the beneficiary agencies, without suggesting amounts or ratios of allocations.

The proponents of national budgeting, however, did not give up. The plan was resubmitted to the CJF General Assembly (GA) in 1946, where it was overwhelmingly defeated. Among the opponents this time were not only the national agencies, including the Zionist bodies and the UPA, but also many more local communities. The membership's refusal to back the national budgeting project came as a warning to the Council not to move too far ahead of its constituency in its quest for a wider role. It also encouraged the WZO/Jewish Agency not to view the CJF and federation leadership as always identical. Among the latter group, there were those who saw in the Council a service organization rather than a tool for exerting influence on their behalf in the national/international arenas. The vote was an indication, too, that the federations were in fact a middle ground where divergent interests met but did not necessarily clash, and that attempts to push too far or too fast in any one direction were likely to fail.

In its resolve to avoid any impression that it was out of touch with its membership, the CJF drew its officers and committees from a wide range of constituents, along lines of geography, size of community, as well as lay and professional status. The executive directors of the large-city federations were a particularly influential group; when they later formed an informal association within the Council structure, it had the effect of bringing the weight of their communities to bear more effectively, sometimes putting restraints on Council action. The individuals involved were powerful figures in their own communities, more so than most lay leaders whose terms of office expired while the executives occupied their posts for years, even decades. Men such as

Sam Goldsmith (Chicago), Isadore Sobeloff (Detroit, later Los Angeles), Henry Zucker (Cleveland), Harry Greenstein (Baltimore), and Donald Horwitz (Philadelphia) were personalities of undisputed authority, managerial talents, and frequently considerable charisma.

The one element that was often lacking was *Yiddishkeit*, and this was one of the charges levelled against the federation professionals from the Zionist side. Their training was likely to be in social work rather than in the rabbinate or other Jewish calling. Few had any Yiddishist or Hebraist background (although there were exceptions). The Council's first executive director, the late Harry Lurie, exemplified these traits; there was certainly little common language between him and the Zionist leadership. Lurie's successor, Philip Bernstein (Executive Director, then Executive Vice-President, 1954-1979), also came from a social work background, but under his leadership there took place the gradual rapprochement with the Jewish Agency, and the Council's integration into the nexus of organizations participating in its governance.<sup>7</sup>

It is thus apparent that at least some of the friction that characterized early relations between the WZO/Jewish Agency and the CJF had a temperamental/philosophical and even a semantic side. The Zionist enterprise had an idiom all its own, including its share of hyperbole. By contrast, the Council sought to introduce the sober discourse of accountancy into the fund-raising environment.

Other parts of the vocabulary used by the CJF also were alien, if not anathema, to Zionist sensibilities. The federations saw themselves engaged in philanthropy; Zionism, in nation-building. On the one side there was rescue of refugees; on the other, *aliyah* to the homeland.

Semantics also reflected a wide gap in the approach to the central campaign. In federation/CJF jargon, the UJA and the Jewish Agency were "beneficiaries," along with all the other local, national, and overseas "causes" receiving "allocations." By contrast, the Jewish Agency considered itself a full-fledged partner in a common enterprise. Its inclusion, through the UJA, in the local welfare fund/federation campaigns was the culmination of a series of mergers and amalgamations. These had begun in 1925 when Keren Hayesod, Keren Kayemet, Hebrew

University, Hadassah and Mizrahi formed the United Palestine Appeal, and they continued through 1939 when the UPA, JDC, and NRS revived the United Jewish Appeal, after several earlier short-lived attempts.

In the 1940s, following the demise of the National Budgeting project, Lurie tried another approach to get the Council's voice heard in the expenditure overseas of funds raised in the central campaigns. An Institute on Overseas Studies was set up by the CJF in 1947 to develop "a more intensive type of study and report on the overseas problems" through research and evaluation.<sup>8</sup> It was another step in the direction of intensifying the Council's interest in Israel, but one which did not endear Lurie to the Agency leadership.

Yet this project, too, was dogged by bad luck. Lurie had engaged one of the outstanding Jewish economists in the Roosevelt administration to submit a proposal for the Institute, to ensure that its work would meet the highest professional standards. He was Harry Dexter White, recently Assistant Secretary of the Treasury and co-creator of the International Monetary Fund; later the Fund's first American executive director. As a close adviser to Secretary of the Treasury Henry Morgenthau, White was the author of the Morgenthau Plan which would have shorn post-war Germany of its industrial base. (The plan had FDR's support but was dropped by the Truman administration.) After his departure from the IMF in May 1947 until he suffered a heart attack in the fall of that year, White, according to his biographer, worked under a committee of the CJF "to outline the specific types of studies that would be most appropriate and helpful to the projected Institute on Overseas Studies."<sup>9</sup> Before he died the following year, White was accused by the chief interrogator of the House Un-American Activities Committee, Rep. Richard Nixon, of being part of a Soviet spy network in the capital, a charge repeated in 1953 by Attorney General Herbert Brownell on the basis of documents newly come to light.<sup>10</sup>

Evidently on White's recommendation, Lurie hired another Treasury economist as director of the new institute, Dr. Harold Glasser, who had served under White in the Division of Monetary Research. Glasser was given the specific assignment of assessing the effectiveness of American Jewish aid to Israel against the background of the new state's social and economic



problems. He soon ruffled the feathers of Agency officials by applying orthodox economic criteria to their sometimes unorthodox methods. But after issuing a series of reports he resigned his post. In further congressional investigations his name, too, was being linked to Russian espionage activity in the 1940s, and it was obvious that his usefulness to the Council was being impaired by these accusations. In April 1953 he refused to answer questions before the Senate Internal Security Subcommittee about his relations with White and others named by Whittaker Chambers, invoking the Fifth Amendment.<sup>11</sup>

With Glasser's departure the Institute ceased to function, and "Overseas Studies" became part of the responsibilities of the Council's Budget Research Department headed by S.P. ("Pete") Goldberg, whose task it was to supply the member federations with analyses of finances and operations of beneficiary agencies.

The finances of the American bodies in the nexus — primarily UJA, JDC and UIA — were regularly analyzed and reported on by Budget Research, but the Jewish Agency itself showed decided reluctance to submit its complex operations and financial structure to the Council's scrutiny. The Executive justified its reluctance on the grounds that it was responsible to the Zionist General Council and the Zionist Congress, and that it had its own Controller whose reports were available to the public. As a conciliatory gesture, the Agency granted the Council access to the quarterly reports of its auditors, Kesselman & Kesselman. But it was made clear that the Council was to address its inquiries to the UJA, as its representative on the American fund-raising scene, or to the Agency office in New York, rather than directly to Jerusalem. Dr. Giora Josephthal, Treasurer of the Jewish Agency, expressed reservations about the CJF's "Fact Sheets" on aspects of the Israeli scene, contending that information without the capacity to act can have negative consequences.<sup>12</sup>

On the same basis, the Agency refused to take part in the review proceedings of the Large City Budgeting Conference, which the Council had established in 1948 as a much attenuated version of Advisory National Budgeting.<sup>13</sup>



In the 1950s, campaign income declined drastically. The UJA, which had benefited most from the increased giving in 1946-48, suffered the sharpest reduction in allocations (from \$125 million or 73 percent of the total, to \$51 million or 57 percent of the total raised by the federations in 1955).<sup>14</sup> This caused great difficulties for the Jewish Agency. At the same time, allocations to local agencies remained fairly constant in dollar terms, dropping from \$34 to \$31 million. It was inevitable that the division of the campaign proceeds should again become a major issue. The UJA more than once used the threat to pull out as heavy artillery in negotiations with allocations committees. But in the only instance the threat was carried out, in New Haven, it was a failure.<sup>15</sup>

In addition to being convinced that the communities retained too large a share for themselves, Agency Executive members also insisted that the funds were being raised on the basis of Israel's needs, since these supplied the main theme of the campaign.<sup>16</sup>

The Council employed two counter-arguments: 1) The emphasis should be on raising more money, so that there should be enough for both local and overseas needs; and 2) it takes a strong local community to raise these funds, and a strong community means viable institutions. These included systems of formal and informal Jewish education, as well as family services and homes for the aged. Jewish hospitals, which became the main target of criticism on the Zionist side as an unnecessary luxury, existed mainly in some of the larger cities, and the bulk of their income came from public sources and patient fees rather than Jewish communal funds.

If the Jewish hospitals were the *bete noire* of the WZO/Agency Executive, the red flag in the Agency expenditure budget was an item called Constructive Enterprise Funds of the political parties. Here, too, the amount involved was small in relation to the total budget (about \$2.25 million annually), and most of it went for housing, welfare, and cultural activities under party auspices. In return for the allocations, the parties agreed to abstain from raising funds among their sympathizers in the U.S. and elsewhere.<sup>17</sup>

But there were continued allegations that a part of the funds went to finance political activities, and that particular line in the Agency budget led to perennial discussions and arguments. The compromise adopted in 1966 called for allocations to be made directly to the end-users (schools, day-care centers, etc.) by the Agency Treasury rather than through the central party funds. But supporters of the Constructive Funds insisted on the Agency remaining the intermediary; their threat to campaign separately lent clout to their position.

The lack of clarity over use of these funds reinforced the feeling in the federations that it was illogical that the Council reported meticulously on the budgets of smaller agencies, while the expenditures of the largest "beneficiary" were not subject to similar analysis. The Council accordingly kept up the pressure on the Agency for more information.

At the same time, the Council decided to deepen its direct involvement by sponsoring board missions to Israel. Unlike the missions conducted under UJA auspices, these were not designed to stimulate fund-raising, but to gather information for dissemination to the membership. At the conclusion of one such mission in 1958, the CJF established a Committee on Jewish Welfare Fund-Israel Relations, which became the focus for further preoccupation with the Jewish Agency and its programs.<sup>18</sup> In his report to the 28th General Assembly in November 1959, the Committee's chairman, Irving Kane of Cleveland, referred to discussions with Agency officials (among them the Treasurer and Chairman of the Executive) about "instituting more effective machinery for cooperation and exchange of views than had heretofore obtained."<sup>19</sup>

From Kane's report it becomes clear that the Council's suggestions went considerably beyond instituting machinery. They called for rather far-reaching modifications in both structure and substance, including "separating the philanthropic activities of the Agency...from the activities of the World Zionist Organization,"<sup>20</sup> an approach which, as Kane put it, the Agency did not consider practicable at the time.

According to Kane's report, the Council had also expressed the view that Agency expenditures outside of Israel "that are not connected with its immigration program" should be re-examined to see whether they can be financed from sources other than

UJA funds. This involved primarily educational and cultural programs in the United States — activities which had aroused resentment in local communities because they were being financed with locally raised funds but without local participation in programming. Finally, Kane reported on a proposal by Dr. Nachum Goldmann, President of the WZO and Chairman of the American Section of the Executive, to establish an advisory body to the Agency so as to obtain broader participation of non-Zionist leaders who would “reflect more fully American Jewish interest and opinion.”<sup>21</sup>

The proposal initially met with some sympathy, but the Council turned it down when it learned that Dr. Goldmann planned to ask the President’s Conference to serve as the advisory group. Kane concluded his report with a promise that “we will explore other possibilities for relating American Jewry to more direct involvement in how the money our Welfare Funds provide is utilized.”<sup>22</sup>

In a follow-up memo to the Committee by its chairman, the Council’s ideas were spelled out in more detail:

- a. A reorganized structure and procedure for the disbursement of American Jewish philanthropic funds should ensure ultimate American responsibility and control.
- b. Other programs of the WZO — educational, cultural, organizational — should be separated from the direct expenditures for immigrants in Israel....
- c. The principle that philanthropic programs must be completely separate from political activities should be fully safeguarded....
- d. Expenditures for cultural, educational and other activities of the Jewish Agency in the U.S. should be...transferred to direct American auspices and financing.<sup>23</sup>

One may doubt whether this ambitious blueprint for change would have been implemented through pressure by the CJF on the Agency alone, had it not been for a concurrent development relating to tax exemption which forced the Agency’s hand. However, before reverting to this development, it is useful to go back a decade to the so-called Silver-Neumann controversy of 1949 and recall the Council’s role in that episode.

The two American Zionist leaders who headed the UPA were then engaged in a power struggle with the UPA's Executive Director, Henry Montor. Montor charged that the UPA was controlled by the Zionists, to the exclusion of the bulk of the contributors. He organized a Committee of Workers and Contributors which demanded a reorganization of the UPA to make it more representative. The CJF offered to mediate between the UPA board and Montor's committee, and in the negotiations a formula for restructuring the UPA's governance was agreed upon. Henceforth, representatives of the communities would constitute 40 percent of its board, with the balance remaining with the Zionist organizations.

There was at first little practical consequence to these changes. But the principle that the UPA (as of 1952, UIA) should represent the communities as well as the Zionists was to have a major impact in the future.

The Silver-Neumann affair had another delayed-action effect on the Jewish Agency's standing on the American scene. The two Zionist leaders were pressing for maximum American control over the funds raised in the U.S., a position reminiscent of that taken by Louis Brandeis as head of American Zionism three decades earlier. Brandeis and his followers were defeated by WZO President Chaim Weizmann at a conference in Cleveland in 1921, and control of Keren Hayesod in the U.S. remained with its world headquarters and the WZO. The Silver-Neumann claim that the UPA was a purely American organization, controlled by its immediate constituents, i.e., the American branches of Keren Kayemet and Keren Hayesod, was as unacceptable to the Jewish Agency/WZO Executive then as Brandeis' demands had been earlier. This time the Executive had the active backing of the Israel government, for the funds channelled through the UPA to the Jewish Agency had become a major source of foreign currency for the new state's hard-pressed economy. The fact that the ZOA, of which Silver and Neumann were the key leaders, was the American affiliate of the opposition General Zionist party, only added fuel to the fire.<sup>24</sup>

The Jewish Agency Executive (which met in New York in extraordinary plenary session to deal with the crisis) prepared for the eventuality of a break with the UPA. Its American legal adviser, Maurice Boukstein, set up a new U.S. corporate entity

called the Jewish Agency for Israel Inc., designed to supplant the UPA as the JDC's partner in a new UJA agreement. However, it did not come to this, as Dr. Silver and his group resigned from the UPA when they realized what was happening. The Jewish Agency for Israel, Inc. was to remain dormant for more than a decade, until it was activated in 1960 to serve as the beneficiary of UPA funds in lieu of the Jewish Agency for Israel in Jerusalem. This is where the story links up again with the 1959 development.

In that year, a new ruling by the Internal Revenue Service (IRS) in a case entirely unrelated to Israel was to call the UJA's tax exemption under Article 501 (c)3 of the Internal Revenue Code into question. An application for tax exemption by an American group called Friends of Churchill College (in Britain) was denied by the IRS on the grounds that the Friends served as a mere "conduit" for funds on behalf of a non-American beneficiary, whereas the law intended that the beneficiary must be an American body, in full control of its budget.

The implications of the ruling for the UJA and its Israeli beneficiaries were obvious: the Jewish Agency, which was spending the funds, was not an American body; the UJA was American but did not spend the funds it was raising, and the United Israel Appeal, while American, fit the definition of a "conduit." Clearly, a drastic change was called for to avert a challenge to the tax exemption.

While the imperative for change fit in well with the ideas of the CJF committee, Jewish Agency leaders were far from pleased. Gottlieb Hammer, who as Executive Director of the Agency's American Section was privy to the discussions, recalls in his memoirs that some members of the Executive were dejected enough to propose going out of business and turning over the Agency's responsibilities to an American organization like the JDC.<sup>25</sup>

Yet this turned out to be unnecessary, as Maurice Boukstein produced a formula which was acceptable to both the Israelis and the U.S. Treasury. Under his plan, the same Jewish Agency for Israel Inc. which he had created at the time of the 1949 crisis became the "principal" charged with responsibility for spending the money raised in the U.S., while the Jewish Agency in Jerusalem would become its "agent." According to Hammer,

"We thus managed to conform to the tough new interpretation of the Internal Revenue Code and preserve our tax exemption without disrupting the Agency's ability to perform its functions efficiently and effectively...."<sup>26</sup>

The procedure proposed by Boukstein called for the Treasurer of the Jewish Agency to come to the U.S. and present his budget to the Board of Directors of JAFI Inc. The board would review the budget, decide which items it wished to support, and include them in a budget of its own, which it would transmit to Israel along with the funds for implementation. To ensure that the funds were expended in accordance with the budget of the American organization, JAFI Inc. was to establish an office in Israel with a representative in permanent residence there.

One effect of the reorganization was to erect a wall that clearly divided the financing and administration of WZO activities — public relations, political action, Zionist education, recruitment of Americans to go on aliyah to Israel, etc., from the UIA-supported humanitarian and social services provided in Israel by the Jewish Agency.<sup>27</sup>

The details and principles of the reorganization were set forth in the by-laws of JAFI Inc. and in a formal agreement between the latter and the Jewish Agency in Jerusalem. There was also an exchange of correspondence with the Commissioner of Internal Revenue, which formed part of the understanding with the IRS on the basis of which the tax exemption was assured.<sup>28</sup>

The by-laws provided that the new JAFI Inc. be made up of two members: the UIA and the Jewish Agency–American Section, which remained the U.S. branch of the WZO. At the annual meeting, the UIA had 14 votes to the WZO's seven, and similarly, of the 21-member Board of Directors, 14 were to be designated by the UIA and seven by the American Section. On the face of it, the UIA was now in control. However, the WZO still controlled 60 percent of the UIA, and the 14 directors it would designate would reflect that proportion.

Although the WZO thus did not cede control, the reorganization gave the communities for the first time a real sense of participation in a Jewish Agency-related structure. Equally important, the Board of 21, as it came to be known, functioned as one body and not as two factions. The seven designees of the

WZO included the six members of the American Section of the WZO plus the Treasurer of the Jewish Agency. Louis Pincus, who had replaced Dr. Dov Joseph as Treasurer, made frequent trips to the U.S. to confer with the Board. He developed a positive attitude toward JAFI Inc. which he communicated to his colleagues on the Executive. Most significantly, Pincus related to the federations and the CJF as partners in a common enterprise.

A sign of the warming relationship with the Council was the Treasurer's agreement to have one of his top assistants, Dr. Shimon Ben-Eliezer, spend six months in the U.S. on a CJF Wineman Fellowship, studying the workings of the organized Jewish community and particularly the federations. Dr. Ben-Eliezer subsequently served as an important link between the Treasurer and his American hosts.

The CJF as such had no part in the new structure, and its sense of gratification was rather muted, for it was apparent that the reorganization stemmed more from the need to satisfy legal requirements than from applying the principles of community organization to the relationship with Israel through the Jewish Agency. Thus the UIA members of the Board of 21 were designated (co-opted) by the WZO group on a personal basis rather than elected by communities, which left the Board open to the charge of "self-perpetuation."

There was also growing dissatisfaction on the part of the Council with the retention of the Jewish Agency name by the American "principal." While this tactic enabled the Jerusalem Agency to minimize the impact of the change, it led to no end of confusion in the communities and among the American public. The Council had difficulty persuading its own constituency that a major transformation had taken place. It kept up the pressure for changing both the nomenclature and the method for selecting the Board (which meanwhile had grown to 27, with the ratio of WZO and UIA members kept intact).

Again, it is doubtful whether pressure by the Council would by itself have brought results, had it not been for another instance of governmental intervention, this time on the part of a subcommittee of the Senate Foreign Relations Committee under Sen. William Fulbright of Arkansas. In looking into the functioning of the Foreign Agents Registration Act of 1938, the



committee (in 1963) uncovered the fact that the WZO-American Section had neglected to register as a foreign agent under the statute. Fulbright used this as an opening to submit the complex Jewish Agency-WZO relationship with the American communal bodies to an extensive, often unfriendly, investigation.<sup>29</sup> While the UJA-UIA-JAFI Inc. nexus emerged unscathed, and the only action taken was a scolding of the WZO-American Section for not registering, the probe caused considerable anxiety while it was in progress. It underlined the pitfalls of the similarity in names and rendered the CJF's argument for change more persuasive.

That change came in 1966 when JAFI Inc. was consolidated with the UIA under the name of the latter. Discussions had begun in 1965 after Louis Pincus was named Acting Chairman of the Executive (he was elected Chairman upon the death of Moshe Sharett in the following year). Dewey Stone, Chairman of UIA, represented the Zionist side in the talks, while Max Fisher, who was then General Chairman of the UJA, represented the communities. When Stone proposed that Council members should take part in the talks as individuals, Fisher objected, saying: "The Jewish Agency won't exist, and the UJA won't exist without the strength we get from the grass roots. Fortunately we have a group to deal with, and that is the Council of Jewish Federations, which is where the communities are working."<sup>30</sup>

Fisher had his way, and Stone eventually had to admit that the CJF was creating no difficulties. Fisher put it more positively: "As a result of these discussions, people have gotten more closely together, and points of tension were eliminated. I think we have a whole new atmosphere. There is a feeling of trust, and the result is we can move forward."<sup>31</sup> He announced to the GA in Montreal that "For the past year, a series of informal discussions between representatives of the CJFWF and the JAFI Inc. has taken place in order to consider further the questions of change of name and the corporate reorganization of the JAFI Inc. I am pleased to tell you that an agreement in principle has been reached regarding these two questions....This marks another chapter in the continuing maturation between our local organizations and federations and the Jewish Agency for Israel."<sup>32</sup>

Yet in the proposal presented by Gottlieb Hammer to the "Inc." Board for approval on April 26, 1966, there was no mention of the Council. The federations were to "suggest to our nominating committee the names of those individuals, leaders in their own communities, whose commitment and dedication to the concept of overseas needs would qualify them to serve on the UIA Board (of Trustees)."<sup>33</sup> This Board of 200, of whom 100 were to be designated by the various American Zionist organizations and 100 by the UIA, would then elect 18 members of the 27-member Board of Directors; the remaining nine would be designated by the Jewish Agency–American Section (WZO).

The new Board of Trustees met for the first time on June 9, 1966, to be told by Maurice Boukstein that the UIA and JAFI Inc. were being consolidated into one corporation, which then changed its name to UIA. Dewey Stone, who chaired the session, said he hoped he would "never again hear from anyone anywhere, Jew or non-Jew, the question of confusion about the Jewish Agency."<sup>34</sup>

Concurrently, the Jewish Agency–American Section, whose continued existence had added to the confusion, became the WZO–American Section.

The next stage in the CJF's relationship with the Jewish Agency came as part of the reconstitution of 1971. Once again it had been developments outside the Agency and its support system which triggered the drastic reforms. This time it was the Six-Day War and its aftermath that caused the long static Israel government-Jewish Agency constellation to give way. The full story has been told elsewhere,<sup>35</sup> but in sum: When Louis Pincus realized that the government was determined to take on much of the Agency's primary function, he successfully enlisted the aid of diaspora Jewry in the organization's fight for survival. In return, the WZO ceded a major share of the decision-making prerogative in the Agency to the UIA and Keren Hayesod.

Before the new structure was formally ratified, the future mode of cooperation between the CJF and the Agency was already apparent in the planning of the Conference on Human Needs (COHN) which took place in Jerusalem in 1969 under joint Agency-government auspices. The conference was designed to open up the wider areas of "human needs" in which Agency resources were engaged since the Six-Day War to

diaspora professional and lay specialists. The Council took an active part in planning the conference, with Philip Bernstein and Louis Pincus acting as the co-chairmen, and Sidney Vincent, Associate Executive Director of the Cleveland Federation, being lent to the Agency for professional expertise.

The new Jewish Agency structure, as embodied in the Reconstitution Agreement, formally acknowledged the role of the CJF. Its executive vice president was to serve on the Agency Executive as an associate member without voting rights, together with the CEOs of the UJA and UIA. Henceforth, the Council was no longer an outside factor, reporting critically on Jewish Agency programs and finances, but rather was part of the federation component determining policies from within, through the governing bodies. Without question, the reconstitution brought with it a new era in the relationship between the two organizations.

## Notes

1. The Council of Jewish Federations and Welfare Funds (CJFWF) was established in 1932, and its name was shortened to Council of Jewish Federations (CJF) in 1978. Although during the period covered by this overview the original name still applied, in the interest of clarity the shorter version is used here (except in direct citations). Also, the term "Federations" is used for both Federations and Welfare Funds, even though historically the two are not synonymous.
2. For the details of that process, see Ernest Stock, *Beyond Partnership: The Jewish Agency and the Diaspora 1959-1975* (New York, 1992).
3. Harry L. Lurie, *A Heritage Affirmed: The Jewish Federation Movement in America* (Philadelphia, 1961), pp. 136-7.
4. *Ibid.*, p. 140.
5. *Ibid.*, pp. 149-50.
6. *Ibid.*, p. 153.
7. Philip Bernstein, *To Dwell in Unity: The Jewish Federation Movement in America since 1960* (Philadelphia, 1983).
8. Lurie, p. 156
9. David Rees, *Harry Dexter White: A Study in Paradox* (London, 1974), p. 402.

10. *Ibid.* Rees' main source is House Committee on Un-American Activities, *Communist Espionage in the United States Government*, Hearings, 80th Congress, 2nd Session (1948).
11. *Ibid.*, pp. 420, 455.
12. In a 1955 conversation with the author, who was then consultant to the Budget Research Department of the CJF while doing graduate work at Columbia University.
13. See Bernstein, pp. 17-18 *passim*, for the origins and functioning of the LCBC. Also Lurie, pp. 157-58.
14. Figures based on S.P. Goldberg, "Jewish Communal Services: Programs and Finances," CJFWF, January 1960.
15. Hagith Rieger Shlonsky, "Growth and Decline of Voluntary Associations: A Comparative Study of Zionist Organizations in New Haven" (Ph.D. Thesis, Yale University, 1960).
16. They had an eloquent spokesman in Henry Montor, who said it was his conviction that the bulk of American Jews give overwhelmingly for one reason: to support the State of Israel. (In interview with Menachem Kaufmann for Oral History Project, Institute for Contemporary Jewry, Hebrew University, 15 April 1976.)
17. CJFWF Israel Fact Sheet No. 34, "Constructive Enterprises of Party Organizations," October 1956.
18. In this section I have drawn on ch. 31, "The Reorganization of 1960," in my *Partners & Pursestrings: A History of the United Israel Appeal* (Lanham, Md., 1987).
19. CJF Assembly Papers, 28th General Assembly: Report by Irving Kane, Chairman, to National-Local Relations Committee, 14 November 1959.
20. *Ibid.*
21. *Ibid.*
22. *Ibid.*
23. Memo by Irving Kane to Jewish Welfare Fund-Israel Relations Committee on "American Structure for Major Jewish Philanthropic Aid to Israel," CJF, 6 January 1960.
24. There were other, complex aspects to the controversy which are not within the scope of this article. For Henry Montor's perspective on the affair in which he figured as a main actor, see the transcript of his interview with M. Kaufmann, Oral History Project, Institute of Contemporary Jewry, Hebrew University, 15 April 1976. See also Minutes of Executive of Jewish Agency, 10 January 1949 (CZA Z5/16); and for Silver's views, *New Palestine*,

11 March 1949. For a discussion of the affair in the wider context of Israel-diaspora relations during the period (and particularly Israel-Zionist relations), see Yosef Gorny, "The Zionist Movement and the State of Israel 1948-1952: A Formation of Normal Interrelations," in S. Ilan Troen and Noah Lucas, eds., *Israel: The First Decade of Independence* (Albany, 1995).

25. Gottlieb Hammer, *Good Faith and Credit* (New York, 1985), p. 143.
26. *Ibid.*
27. *Ibid.*, p. 144.
28. Maurice Boukstein papers in CZA, file A 370, Box 15/1.
29. For an account from the Agency's perspective, see Hammer, p. 172ff.
30. Minutes of meeting of JAFI Inc. Board of Directors, 3 June 1965, p. 54 of transcript (in UIA files).
31. *Ibid.*, 26 October 1965, p. 44.
32. *Ibid.*, 8 December 1965, p. 40.
33. *Ibid.*, 26 April 1966, p. 26ff.
34. Minutes of meeting of UIA Board of Trustees, 9 June 1966.
35. Stock, *Beyond Partnership*, ch. 11. For Fisher's recollections of these events, see the biography by Peter Golden, *Quiet Diplomat: Max M. Fisher* (Cranbury, N.J., 1992). See also Zelig Chinitz, *A Common Heritage: The Reconstitution of the Jewish Agency for Israel* (Jerusalem, 1985).