

SPECIAL LAW PASSED FOR ZIONIST

Swope fortune went tax free to Israeli school

by Dorothy Thompson, New York

I HAVE in the past spoken of special interests which have shaped American policy. Here is an example bearing on Zionist influence on congress and the White House.

The *Jerusalem Post* (Israel) on May 29 carried an article by Moshe Levin, interviewing Abraham Tulin, an American citizen who is (to quote Levin) a brilliant attorney and "a veteran Zionist." After interviewing Tulin Levin wrote: "The story is too fresh to be told in its entirety. Many highly placed persons in the United States who were involved are still active in public life, but the drama behind the eight million dollar Gerard Swope bequest to the Technion can now be revealed." (The Technion is a technological institute in Haifa, Israel.)

Tulin was the leader in organizing the American Technion society, whose chief business was to raise funds for the institute in Israel. He succeeded in interesting the late Gerard Swope, president of General Electric and a multimillionaire.

"Mr. Swope was a Jew although few people realized it." He was enormously influential. "He was called on by several presidents to head commissions and stood for

years as chairman of many boards of directors."

Swope was over 80 when Tulin met him in 1953. He had shown no interest in Zionism. Tulin approached him through his interest in technology, and between 1953 and 1955 Swope contributed \$350,000 to Israel's Technion.

But Tulin thought Swope's fortune ought to go to Technion: "In 1955, Swope's wife died. He had turned over most of his fortune to her, thinking she would outlive him . . . and she willed him about eight million dollars in trust, the income to go to him for life and the principal to go upon his death to such persons or organizations as he should direct in his will."

Tulin subsequently "made out his (Swope's) will," which made Technion the sole beneficiary of this trust.

But since Swope had inherited this fortune from his wife there would be a federal tax of \$4,500,000 on it. Levin continues to quote Tulin:

"There was nothing in the internal revenue code that could help us . . . Then a thought struck me. *Why couldn't we amend the code?*

It would mean putting a bill through congress, but it was the only way."

He needed Swope's permission. "He was shocked in the beginning." But Tulin convinced him and betook himself to Washington.

"There I put in the hardest ~~four~~ months of my life . . . I worked in complete silence. Publicity would have spoiled everything . . . I did not talk to a single Jewish member of congress. They would favor it anyway."

The bill, introduced into the house by Representatives Reed (Republican) and Keogh (Democrat) of New York was an amendment to section 2055 of the internal revenue code of 1945. But, "Congress was about to adjourn, and there was a log jam of 500 bills that had priority."

"At this point I received incredible help. People have . . . told me that nothing like it ever happened before in congress." *The bill was jumped over other legislation and passed both houses unanimously.*

There was still another obstacle. The secretary of the treasury, who had opposed the bill throughout, announced that he would advise the President to veto it. The veto could not be overridden because congress was in recess. "Tulin resorted to friends . . . (who) went to the White House. The amendment was signed and became law, Aug. 6, 1958."

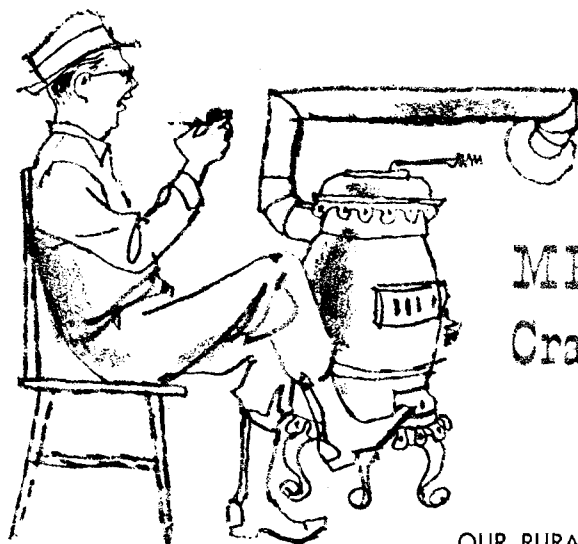
This bill is unique. It provides that "where a trust is established by the will of a testator for the life of a benefactor who is 80 years old . . . at the time of the testator's death, and who is given the power to appoint recipients of the principal . . . upon his own death and by his own will, and such benefactor files an affidavit with the internal revenue bureau within one year of the death of the testator naming the educational institutions which he intends to appoint as recipients . . . then the federal inheritance tax on the original amount is waived."

THIS BILL plainly was tailored to one case. It applies, by inference of the *Jerusalem Post* article, only to bequests to educational institutions, omitting charities. It makes no provision that such institutions be American.

Swope's will, probated in January, 1958, gave this whole American-made trust to a foreign institution.

Who were the "highly placed persons in the United States," whose names are not revealed? Who were those who gave "incredible help?" Who were the "friends" visiting the White House who overrode the treasury's recommendations? What Americans ever heard of this bill while it was before congress?

This is what I mean by the influence of external interests.



MERCURY'S Cracker Barrel Corner

OUR RURAL EDITORS SPEAK OUT

Recommended

The AMERICAN MERCURY, a smart 160-page publication with a wide circulation, may be considered a rival to *Readers' Digest*, to which it is closely similar in character and layout. The AMERICAN MERCURY contains easily-read articles on almost every subject under the sun, but instead of the international outlook of its perhaps better known rival there is a respect for the Northland tradition, which finds evidence in such articles as "A Texan Discovers Boston" (which deals with the English background of the early American settlements), or "Where The Old West Rides Again." Into the bargain, however, there is the usual run of general articles such as "Why Climb A Mountain?" "Death While Thousands Cheer" (sports), "Down With Meetings" (humor) and "Amateur Night At The Museum." This

is reading which can be strongly recommended for those who want a change from the better known equivalent "Digests."

NORTHERN WORLD MAGAZINE

Cuxhaven, Germany. An East German skipper who defected to the West says Communist merchant ships are being used in a vast espionage plot against the West. Capt. Kurt Mallast, 42, who requested political asylum here, charged all Communist vessels carry intelligence agents with instructions to pick up information at western ports for use in the cold war. "I was one of them," he said.

BALTIMORE NEWS-POST

It is a significant and shocking turn of events when United States officials have lost confidence in victory in any conflict in which the United States