

Furnish this exhibit for EACH foreign principal listed in an initial statement
and for EACH additional foreign principal acquired subsequently.

1. Name and address of registrant
Roder Finn 301 E. 57th St. New York, NY 10022

2. Registration No.

3. Name of foreign principal
Israel Democracy Institute

4. Principal address of foreign principal
15 Graetz St. P.O. B. 4702
Jerusalem 91040 Israel

5. Indicate whether your foreign principal is one of the following type:

Foreign government

Foreign political party

Foreign or domestic organization: If either, check one of the following:

Partnership Committee

Corporation Voluntary group

Association Other (specify) _____

Individual—State his nationality _____

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant.

b) Name and title of official with whom registrant deals.

7. If the foreign principal is a foreign political party, state:

a) Principal address

b) Name and title of official with whom the registrant deals.

c) Principal aim

8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal
think tank for Israeli community leaders

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b) Is this foreign principal

- Owned by a foreign government, foreign political party, or other foreign principal Yes No
- Directed by a foreign government, foreign political party, or other foreign principal Yes No
- Controlled by a foreign government, foreign political party, or other foreign principal Yes No
- Financed by a foreign government, foreign political party, or other foreign principal Yes No
- Subsidized in whole by a foreign government, foreign political party, or other foreign principal Yes No
- Subsidized in part by a foreign government, foreign political party, or other foreign principal Yes No

9. Explain fully all items answered "Yes" in Item 8(b). (If additional space is needed, a full insert page may be used.)

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

Association is run by academics and community leaders

Date of Exhibit A	Name and Title	Signature
4/27/92	DENA MERRIAM EDITORIAL DIRECTOR	

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in triplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, dissemination report, copy of political propaganda or other document or information filed with the Attorney General under this act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of such documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. Finally, the Attorney General transmits an annual report to the Congress on the Administration of the Act which lists the names of all agents and the nature, sources and content of the political propaganda disseminated or distributed by them. This report is available to the public.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .33 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, DC. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

Name of Registrant	Name of Foreign Principal
Ruder Finn	Israel Democracy Institute

Check Appropriate Boxes:

- The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach three copies of the contract to this exhibit.
- There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach three copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

Ruder Finn was hired to write and design a brochure for a fee of \$6,000 for writing and \$6,000^{for design}. The project was initiated in November 1991 and completed in February 1992.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

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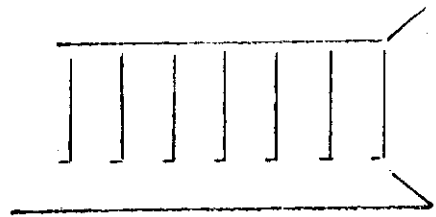
5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?¹
Yes No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

Date of Exhibit B	Name and Title	Signature
4/27/92	DENA MERRIAM EDITORIAL DIRECTOR	Dena F. Merriam

¹Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.



ISRAEL
DEMOCRACY
INSTITUTE

*In the service of the Knesset
and the Israeli people...*

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GENERAL COUNSEL

ISRAEL AND DEMOCRACY: THE NEED FOR REFORM

Throughout its short history, Israel has been the only democratic state in the Middle East. Its citizenry and elected representatives have continually sought to refine the democratic values and the political institutions that together shape this budding young democracy. However, the many crises experienced by the young sovereign state have subjected its values and institutions to continuing social, security and economic pressures. Today the nation's political system is suffering from malfunctioning mechanisms that threaten the welfare of the young democracy and erode the confidence among Israelis in their political system. Confronted with unprecedented waves of immigration, fragmented by a polarized society and struggling with a stagnated economy, Israel's political system stands in desperate need of restructuring.

The Israel Democracy Institute (IDI) was founded to help undertake this tremendous task. It was created by concerned Israelis, along with prominent Jewish leaders from around the world. Their goal was to give birth to a nonpartisan, activist think tank that would help solidify Israel's democratic institutions and values for the future.

IDI has committed itself to act as a **facilitator** of political reform, a **resource** for members of the Knesset dedicated to that reform and as an **educator** that broadens the views of leaders, decision-makers and the general public.

[pull quote]

Its achievements, according to the Honorary Chairman, former U.S.

Secretary of State George P. Shultz, would be "important not only to Israel but to thinking people around the world."

IDI -- A FACILITATOR

IDI's activities are helping to facilitate reform in the following four areas:

- I. The State's electoral system;
- II. The democratization of political parties;
- III. The relationship between central and local governments;
- IV. The political structures that inhibit economic progress.

I. Reforming the Electoral System

IDI pioneered the introduction of an activist think tank to service decision-makers when, in 1989, it served as the consultative body for the then bipartisan Knesset Committee on Electoral Reform. Experts from Israel and around the world came together to determine first, a variety of options by which legislators would be made accountable to the electorate, and second, ways in which the government could function more effectively. Working together with senior leaders of the Likud and Labor, IDI designed a number of alternative approaches suitable for Israel's social and political structures. During its close professional relationship with the bipartisan committee, IDI identified a core of MKs (members of Knesset) with whom it has collaborated in establishing its role as a facilitator.

This electoral reform process was brought to a standstill by the government crises in the spring of 1990. However, anticipating that parliamentary accountability for members of the Knesset would surface again as an issue after the 1992 national election, IDI renewed its efforts to facilitate the reform of the electoral system. The goal is to develop well-researched options that will introduce regional constituencies to the Israeli electoral system, thereby making elected officials accountable to the people who elect them.

II. Democratizing the Structure of Political Parties

In May 1991, IDI initiated a project to facilitate the process of democratizing political parties in Israel. During a three-day diagnostic workshop, which opened in the Knesset with the participation of leading MKs, IDI identified three major realms of party reform:

- o Parliamentary legislation that would determine the rules governing the activities of political parties (the "Parties Law");
- o Reform within political parties that would give party members the ability to select their candidates for elected offices;
- o Review of the principles and procedures guiding the national financing of political parties.

Since August 1991, a special IDI team has worked with the Labor Party's committee to reform its candidate-selection process. A similar effort commenced several months later with the Likud Party. This work, which combines research with political education procedures,

will culminate in a series of recommendations to restructure the way in which parties select candidates for political positions in the Knesset, the municipalities and other institutions.

At the invitation of the Constitution Committee of the Knesset, IDI began work in September 1991 to develop legislation that would define the criteria for the administration and conduct of political parties in Israel (the "Parties Law"). In response to requests from Committee members, IDI has been involved in formulating the principles of that bill for the initial reading in the Knesset. It has also provided the Knesset with comparative perspectives and analyses toward the critical further and final readings.

III. Reforming the Relationship Between Central and Local Governments

Since its inception, Israel has possessed a highly centralized form of government that has hindered responsive decision-making, the accountable allocation of funds and the execution of policies. Local politicians need greater authority in order to govern effectively. For example, the successful absorption of immigrants from the Soviet Union and Ethiopia requires the increased involvement of local government officials in both major cities and development towns.

IDI believes that such decentralization of central government power in favor of local government is vital for democratic reform. It has taken an active role in formulating political recommendations pertaining to the issue of decentralization. As in other IDI projects, decision-makers and political leaders have demonstrated tremendous receptivi-

ty to the ideas and concepts put forth by IDI. Representatives of all major political parties in Israel and at all levels -- including mayors, members of the Knesset, and prominent individuals in the executive branch -- have become partners in the development of this project.

IV. Reforming the Political Structures that Inhibit Economic Progress

Israel's economic system is inextricably linked to its political structures. Hence any economic reform that does not stem from initial changes in political structures cannot be effective.

IDI has focused its efforts on those essential economic changes that are presently being hindered by existing political procedures (for example, the legislative process of preparing the State's annual budget and the process of privatizing government companies). IDI's goal is to make constructive recommendations for specific political reforms that will strengthen the economic system. This project is based on the following assumptions:

- o A more open economy will strengthen Israel's democratic institutions;
- o A number of constraints -- i.e., the huge burden of defense and the pressing need for the absorption of immigrants -- impact Israel's economic conditions;
- o Unique social services are required to serve Israel's immigrant society.

this project was designed at a conference held at Stanford University with former Secretary of State George Shultz (Honorary Chairman of the Institute).

IDI - A RESOURCE

In September 1991, IDI established its Computerized Information Center. Its purpose is to provide MKs with the reliable and up-to-date information necessary for decision and law-making.

Learning from the experience of both veteran and fledgling democracies across the globe constitutes an essential stage in the drafting of new legislation and amending existing laws in areas targeted for political reform. Unlike their counterparts in developed democracies, MKs have had limited access to this type of comparative information. In an effort to fill the gap, IDI's Information Center has established formal channels of communication with foreign legislatures and extra-parliamentary documentation centers in North America, Europe and Australia.

These network ties have enabled the Information Center, even in its embryonic stage, to respond to queries from MKs on topics such as the legal status of the head of the opposition, referenda, regulations governing the activities of political parties, parliamentary immunity and the intervention of the courts in legislative procedures and internal party affairs.

In addition to providing data on specific issues as they arise on the legislative agenda, the Information Center utilizes advanced storage and retrieval technologies to disseminate information designed for reform-minded MKs, thereby ensuring that they remain abreast of all major developments regarding democratic structures abroad.

IDI -- AN EDUCATOR

IDI has initiated a number of "extracurricular" activities to assist in the restructuring of Israel's political system. Following the model of Washington, D.C.'s prominent Brookings and Enterprise Institutions, IDI provides round-table debate opportunities to lawmakers where they can brainstorm on critical issues with experts from academia as well as with leading figures from government, business and the media.

Issues discussed at the round-table meetings so far include political nominations to the public service, whether or not Israel should introduce the referendum into its political process and the relationship between the media and politics. Following the meetings, these debates are published as comprehensive reports.

IDI also disseminates interim updates on the issues to inform decision-makers and MKs who are in the process of developing legislation.

IDI's magazine, "Demokratia," is published four times a year as a supplement to the Hebrew daily "Maariv." It is circulated among the paper's 140,000 readers in Israel. "Demokratia" not only provides thoroughly-researched analyses to the general public, but it also provides lawmakers with a means to share their views with the public. The magazine's creed is: "Be constructive." It underscores, in a credible manner, the positive developments in the political reform process. IDI believes that "Demokratia" will be an important vehicle for combating the malaise, cynicism and despair that prevails in major sectors of Israeli society.

IDI has developed its own pulse-taking device called "Democracy Indices." Conducted by Israel's best pollsters, the periodic monitoring of the Israeli public's attitudes toward different aspects of democracy provides a diagnostic tool for the IDI research fellows in each project. It also identifies critical trends in public attitudes as well as among special interest groups and helps raise awareness of these trends.

A WEEK ON IDI'S CALENDAR

To illustrate the breadth of IDI's activities, the following are a few highlights of events that took place in the course of one week in January 1992.

1. Tuesday, January 14: A round-table discussion on "The Checks and Balances Between the Supreme Court and the Knesset," held at the Institute.

Members of the Constitution Committee of the Knesset (comprising all parties) discussed the recent unprecedented decision of the High Court of Appeals, which ordered the Knesset to vote, in the second and third readings, on the issue of allocation of special funds to ultra-orthodox institutions. A retired Supreme Court judge, leading professors of law, prominent lawyers, political scientists and elder statesmen participated in the discussion. The round table was chaired by Dr. Amnon Goldenberg, former president of the Israel Bar Association and member of the IDI board in Israel.

2. Wednesday, January 15: Publication of the "Winter 1992" issue of "Demokratia" in "Maariv." Among the articles included were an exclusive interview with former Secretary of State George Shultz, a dialogue between two ministers of justice (former Minister Haim J. Zadok and current Minister of Justice Dan Meridor) and an analysis of a special survey on the attitudes of Israel's religious and ultra-orthodox population towards democracy (part of IDI's Democracy

Indices project).

3. Wednesday, January 15: A meeting (held at IDI) of the Israeli members of the steering committee of the project entitled "Israel's Political-Economic Complex." Participants included Minister of Health Ehud Olmert, Dr. Emanuel Sharon (former director general of the Ministry of Finance), Prof. Eitan Berglas (chairman of the board of Bank Hapoalim), Prof. Assaf Razin, Prof. Haim Ben-Shahar and Prof. Emanuel Gutmann.

4. Thursday, January 16: A meeting of the steering committee of the IDI project on "Reforming the Relationship between the Central and Local Government." Participants included Mr. Z. Beliski (mayor of Raanana), Mr. Shalom Fadida (mayor of Beit Shemesh), Mr. Prosper Azran (mayor of Kiriya Shemona), Mr. Yitzhak Wald (mayor of Kfar Saba), Mr. Yitzhak Bochobza (mayor of Or Yahud), MKs Yehushua Matza (chairman of the Knesset Committee on Domestic Affairs) and Mordechai Virshuvsky, senior government officials and the IDI team headed by Dr. David Dery.

GOVERNANCE OF IDI

Several hundred individuals were engaged in the process of establishing IDI. They include prominent personalities from the fields of politics, academia and business in Israel, the United Kingdom, Europe, North America and Australia.

The Institute is officially registered in Israel as an "amuta" (a not-for-profit organization), and its activities in Israel are controlled by the Israeli board. Its counterpart in the United States is the Board of the American Friends of IDI. The American Friends of IDI is a non-profit tax-exempt organization under the provisions of Section 501 (c)(3) of the Internal Revenue Code. IDI is eligible to receive tax-deductible contributions. An executive committee has been established to coordinate between the two existing boards.

Honorary Chairman:	George P. Shultz
Executive Committee:	Bernard Marcus (Chairman) Haim J. Zadok (Chairman Israel) Arye Z. Carmon (President)
Board Members:	Arthur L. Liman (Co-chairman USA) Ted Ashley (USA) Dan Bavly (Israel) Haim Ben-Shahar (Israel) David Blomberg (Israel) Peter Gold (USA) Amnon Goldenberg (Israel) Ron Huldai (Israel) Sidney Irmas (USA) Fred Marcus (USA) Martin D. Payson (USA) Henry Rosovsky (USA) Gabriella Shalev (Israel) Amos Shapira (Israel) Michael Solomon (USA)

IDI has an International Academic Advisory Board that guides the scope and direction of the Institute's programs. The members of this Advisory Board are:

Chairman: Henry Rosovsky (Dept. of Economics,
Harvard University)

Members: Kenneth Arrow (Nobel Laureate in Economics,
Stanford University)

Vernon Bogdanor (Senior fellow, Brasenose
College, Oxford University)

Irwin Cotler (McGill University)

Itzhak Galnoor (Political Science,
Hebrew University)

Yosef Gorni (Historian, Tel Aviv University)

Mordechai Kremnitzer (Dean of the Law School,
Hebrew University)

Charles Liebman (Sociology, Hebrew
University)

Seymour Martin Lipset (Hoover
Institution, Stanford University)

Yochanan Peres (Sociology, Tel Aviv University)

Amos Shapira (former Dean of Law School,
Tel Aviv University)

Steven Spiegel (Political Science, UCLA)

Ephraim Yaar (former Dean of Social Sciences,
Tel Aviv University)

Avner Yaniv (Vice President, University of
Haifa)

Personnel

The architect and President of IDI is Dr. Arye Z. Carmon. The Institute's team of research fellows includes Prof. Itzhak Galnoor, Dr. David Dery and Dr. Dan Avnon (all from the Political Science Department of Hebrew University). Ms. Marilyn Fefer is the director of the Institute's Computerized Information Center. The editor of "Demokratia" is Avner Horwitz. The director of the Administrative and Personnel Department is Dr. Christophe Lewin.