

WAGE CUTS FOR 150,000 WORKERS INTRODUCED IN ISRAEL; NO STRIKE IS EXPECTED

TEL AVIV, July 15. (JTA) -- Despite threats by left-wing groups of widespread strikes, the wages of about 150,000 organized industrial workers in Israel will be cut as of today, following the quarterly revision of the cost-of-living agreement between the Histadrut, Israel's Federation of Labor, and the Manufacturers Association.

At a stormy meeting of the Histadrut executive last night, it was decided to support the signing of an agreement under which the manufacturers will cut the allowance to workers for the high cost of living in proportion with the drop in the cost-of-living index. The slash in wages will be approximately \$7.20 weekly for each worker.

Representatives of Mapam, the left-wing United Workers Party, abstained from voting on this issue at the Histadrut executive's session. They demanded the establishment of a special committee to verify the index figures and suggested the holding of a referendum among workers on the entire question. However, their demands were rejected by the majority of the executive, composed of members of the pro-government Mapai Party.

Government Announces Drop in Cost-of-Living Index Since April

The Israeli Government announced yesterday that the cost-of-living index has dropped nine points in June to 350, or 21 points from the April record high of 371 when the last agreement between the Histadrut and the Manufacturers Association was signed. The drop in the cost-of-living index reflects, according to an official spokesman, the preliminary success of the government's austerity program which was inaugurated in May and was intensified last month. The government's campaign against inflation and for economic stability, however, calls for reduction of wages, in accordance with the reduction in the cost of living.

While this policy of the government has the support of a majority of the members of the Histadrut executive, the left-wingers, who are members of the Mapam and the Communist Party, strongly oppose any wage reductions at this time. Their arguments are levelled against the official cost-of-living index which, they assert, is based on "food-basket standards" that no longer apply. Two weeks ago, the Communists threatened a series of strikes against wage cuts, and the Mapam started to collect funds for the prospective strikers. It appears, however, that they have reconsidered that step.

Since the majority of workers want to give the government a chance to realize its anti-inflation program, and since neither left-wing party commands enough support within the labor movement at this time to assure success, it is believed that labor will abstain from calling strikes immediately. It is seen as more likely that the Israeli labor leaders will concentrate on plans for serious resistance to the next wage cuts which are due October 25.

The government's compulsory education bill was before the Knesset today for enactment. Providing for the introduction of country-wide free compulsory schooling in three stages, the bill stipulates that all children between the ages of 6 and 11 must attend classes by September of this year, with children in other age brackets coming under the measure's jurisdiction within the next two years. Approximately 112,000 youngsters now attend school in Israel, while the government estimates that Israel's school-age population will reach 200,000 within three years.

GENERAL ZIONIST CONFERENCE WARNS ISRAELI GOVERNMENT AGAINST PRESENT ECONOMIC POLICY

TEL AVIV, July 15. (JTA) -- A resolution warning the Israeli Government that its present economic policy is likely to bring about a severe economic crisis "which might destroy the country's existence" was adopted here today at a conference of the General Zionist Party.

The resolution stresses that government declarations for implementation of a Socialist program in Israel are responsible for scaring away large-scale investments by Jews in Israel. The resolution also points out that the government's austerity plan is contrary to requirements for the industrial development of Israel.

The conference expressed regrets that the government's education proposals entail "a dispersal of educational methods." The resolution adopted by the conference on this subject urges the introduction of a uniform educational system in the country.

Dr. Fritz Bernstein, Minister of Commerce and Industry, addressing the conference, stated that the economic policy of the Israeli Government has failed. The conference was also addressed by Daniel Frisch, president of the Zionist Organization of America, who extended the greetings of American General Zionists to the delegates.

ONLY \$30,000,000 INVESTED BY FOREIGNERS IN ISRAEL; MORE PROTECTION FOR INVESTORS SOUGHT

TEL AVIV, July 15. (JTA) -- Dr. Abraham Granovsky, world head of the Jewish National Fund and a member of the Knesset, speaking at a session of the Israeli Parliament, revealed that only 10,000,000 pounds--about \$30,000,000--has been invested to date in Israel by foreign investors.

Dr. Granovsky recommended that the government enact legislation guaranteeing full protection to foreign investors. He pointed out that the use of electric power for industrial purposes has declined since 1947. He also urged the government to take over some of the duties of the Jewish Agency with regard to new immigrants, stating that the Agency alone is unable to cope with the problems of immigrant absorption.

OBSERVANCE OF "HERZL MONTH" STARTS IN AUSTRIA TODAY; GUARD OF HONOR STATIONED AT GRAVE

VIENNA, July 15. (JTA) -- Observance of "Theodor Herzl Month" throughout Austria will begin tomorrow and will continue through August 10 when the remains of Herzl, founder of political Zionism, will be flown to Jerusalem for reinterment.

A guard of honor will be stationed at Dr. Herzl's grave throughout the month while memorial meetings are scheduled to be held in Vienna, as well as in other Jewish communities, and in DP camps in this country. An exhibit of Dr. Herzl's writings, mementoes and personal belongings will be open to the public for the duration of the observance.

Dr. Herzl's remains, as well as those of his parents, will be transferred on August 8 from Doebbling cemetery, outside here, to the Vienna Synagogue where a special religious service will be held. The remains will then be flown, via Tullin Airbase, to Israel.

Herzl's Secretary Flies to Austria to Arrange for Removal of Remains

TEL AVIV, July 15. (JTA) -- Dr. Isidore Shalit, long-time secretary of the late Dr. Theodor Herzl, left for Vienna today to make final arrangements for the removal of the late leader's remains to Israel.

U.N. CHIEF OF STAFF IN PALESTINE CONFERES IN TEL AVIV ON ISRAELI-SYRIAN ARMISTICE

TEL AVIV, July 15. (JTA) -- Brig. Gen. William Riley, chief of staff to the United Nations acting mediator for Palestine, arrived here today and immediately began conferences with Foreign Ministry officials. His visit is believed to be in connection with the Israeli-Syrian armistice, signature of which has been delayed pending final Damascus approval.

(Only a "fine point" is now delaying conclusion of the Israeli-Syrian armistice agreement, but the situation looks very good at the moment," Acting United Nations Secretary-General Byron Price declared today at a press conference at Lake Success. Mr. Price also indicated that a small "measure of progress" toward a solution of the Arab refugee problem has been reached on a subcommittee level. He said the subcommittee report on the displaced Arabs and on Jerusalem will be ready in time for the reopening of the Arab-Israeli peace talks at Lausanne scheduled for Monday.)

U.S. ADVISES ISRAEL AGAINST PREMATURE LAUNCHING OF JORDAN VALLEY AUTHORITY PROJECT

TEL AVIV, July 15. (JTA) -- The United States has officially advised Israel against premature consideration of an ambitious Jordan Valley Authority project which calls for the harnessing of the river Jordan for irrigation and power purposes, it was learned here today.

Speculation over J.V.A. prospects was aroused by announcement of the impending visit from the United States of John L. Savage, designer of the Boulder and Grand Coulee dams. Mr. Savage's visit, the purpose of which is to advise the Israeli Government on irrigation problems, has been generally interpreted here as a preliminary step toward the inauguration of a large-scale water project.

United States officials, however, feel that it is too soon for Israel to start expending money on this major undertaking, it was indicated. The J.V.A. would require cooperation from both Syria and Transjordan and, as yet, there is no indication of a lasting peace settlement between these two Arab countries and the Jewish state. Moreover, the J.V.A. project would require an immense outlay of funds and, if attempted, should only be undertaken as an international project designed to aid both the Arabs and the Jews, according to U.S. observers.

The proposition is also put forward that the original J.V.A.--as conceived ten years ago--may have to be scaled down. Some experts now believe that the amount of water made available by the proposed project would be too small in relation to its cost. All these views have been made known to Israeli authorities by U.S. officials here.

PRESIDENT WEIZMANN LEAVES FOR SWITZERLAND TO UNDERGO TREATMENT FOR EYE AILMENTS

TEL AVIV, July 15. (JTA) -- President Chaim Weizmann will leave Monday for Switzerland to undergo treatment for eye ailments from which he has suffered many years.

Prior to his departure, Dr. Weizmann will bestow medals of valor on seven members of the Israeli Army at special ceremonies Sunday, which will be celebrated as Army Day. Posthumous awards will also be presented to the families of four other men who died in action.

ISRAELI MAGISTRATE SENTENCES ARAB TO EIGHT-MONTH JAIL TERM FOR POSSESSION OF ARMS

JERUSALEM, July 15. (JTA) -- Mohammed Mahmoud, an Arab living in the village of Khirbet Zakharin in the Hebron hills, which is in Israeli territory, was sentenced to eight months imprisonment today by an Israeli magistrate here for illegal possession of arms. The defendant claimed he needed the weapons to protect himself against Arab infiltrators.

Jews in Austria Deplore Government's New Policy Towards Nazis and Property Restoration

VIENNA, July 15. (JTA) -- A marked deterioration of relations between the Austrian Government and the Vienna Jewish community is developing under pressure of several issues, it was indicated here today.

The cool atmosphere surrounding current discussions of these issues stems from two sources: First, the Vienna Jewish community of 12,000 is deeply concerned and even frightened by the government's "forgive and forget" policy toward the Nazis. Second, the Jews have thus far failed in their efforts to obtain a loan from the government's administrators of property slated for restitution to victims of the Nazis. At the same time, the Jews charge that anti-Semitism is on the increase.

At a meeting held here this week, Jewish leaders expressed their shock over the fact that high government officials had been negotiating with former Nazis about participation in the national elections slated for mid-October. The meeting unanimously voted to condemn such discussions, alleging that the way was being paved to bring former Nazis into influential positions.

The Jewish leaders reminded the authorities that of 200,000 Jews in Austria before the war, 185,000 had been driven out or murdered by the Nazis. The few remaining are still fighting for their rights. Finally, the Jewish community leaders protested against the recent move in the Austrian parliament to absolve some groups of "implicated" Nazis from punishment under the law.

On the question of a loan from restitution funds, the Jews learned that the government is drafting a bill to create a fund which would serve both Jewish and non-Jewish rehabilitation demands. The Vienna Jewish community had requested a loan of 25,000,000 schillings--about \$2,500,000--from the government to meet urgent needs in the care and maintenance of needy Jews. Now the Austrian financial authorities have offered them 5,000,000 schillings to be repaid in five years.

The proposal which stirred up a storm at the Jewish community meeting was the government's suggestion that all property of the community be mortgaged as security for the loan. Jews estimate their share of the restitution property to be worth 1,000,000,000 schillings. While some speakers demanded outright rejection of the government's conditions, the majority voted to insist on the loan from restitution funds without any mortgage commitment. Negotiations are continuing, but with a definite chill surrounding them.

HUNGARIAN GOVERNMENT ISSUES COMPENSATION DECREE FOR JEWISH SMALL LANDOWNERS

BUDAPEST, July 15. (JTA) -- The Hungarian Government issued a decree today authorizing Jewish small landowners whose estates were confiscated under the 1942 anti-Jewish land law to apply for compensation.

The decree specifies that this authorization concerns only those Jewish landowners whose property did not exceed five hectares (about 12 acres). The applications for legal settlement are to be sent to the Cooperative Credit Institute of Hungary, the decree specifies.

RUMANIAN SHIP SAILS TODAY WITH 460 JEWS; LONG-EXISTING BAN ON JEWISH EMIGRATION BROKEN

BUCHAREST, July 15. (JTA) -- The S.S. Transylvania will sail from a Rumanian port tomorrow with 460 Jewish passengers. Although the vessel's destination was not disclosed, it is assumed the passengers are en route to Israel. They include 220 Czech Jews who were permitted to travel through Rumania, 118 Rumanian Jews, 45 members of the Bulgarian Jewish colony in Bucharest, and others. The Transylvania's sailing marks the break in a long-existing ban on the emigration of Jews from this country.

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CAPTURED GERMAN DOCUMENTS REVEAL ANTI-JEWISH VIEWS OF FORMER AMBASSADOR KENNEDY

WASHINGTON, July 16. (JTA) -- Anti-Semitic views claimed to have been expressed by Joseph P. Kennedy -- during the time when he was U.S. Ambassador in London -- in his conversations with the German Ambassador there in 1938, were revealed here today in captured German diplomatic documents made public by the State Department.

The documents, which claim that Kennedy approved of the Nazi treatment of Jews in Germany, were discovered in the top secret archives of the German Foreign Ministry. One of them is a letter from the then German Ambassador to Great Britain, Dr. Herbert von Dirksen, to Baron Ernst von Weizsaecker, State Secretary of the German Foreign Ministry who was recently convicted on war crimes charges. In this report, von Dirksen wrote of Kennedy as follows:

"The Ambassador then touched upon the Jewish question and stated that it was naturally of great importance to German-American relations. In this connection it was not so much the fact that we wanted to get rid of the Jews that was so harmful to us, but rather the loud clamor with which we accompanied the purpose. He himself understood our Jewish policy completely; he was from Boston and there, in one golf club, and in other clubs, no Jews had been admitted in the past 50 years. In the United States, therefore, such pronounced attitudes were quite common, but people avoided making so much outward fuss about it.

"Although he did not know Germany, he (Kennedy) had learned from the most varied sources that the present government had done great things for Germany and that the Germans were satisfied and enjoyed good living conditions. The report by the well-known flier, Lindburgh, who had spoken very favorably of Germany, made a strong impression upon Ambassador Kennedy, as I know from an earlier conversation with him.

"As an illustration of how wrong impressions regarding Germany were being spread, Ambassador Kennedy related that recently 'Johnnie' Rockefeller, a very influential and sensible man, had told him that according to a report by one of the leading professors of the Rockefeller Institute, the limited amount of food available in Germany was being reserved mainly for the army, with the result that the rest of the population had to suffer want. As far as he knew, the professor who made the report was a Jew. He -- Kennedy -- had set Rockefeller right."

Emphasizing in his report that when Kennedy spoke favorably of Germany, people had confidence in his statements "because he was a Catholic," the German envoy added that he "repeatedly and emphatically" welcomed Kennedy's intention "to enlighten" President Roosevelt about Germany. He then quoted Kennedy as stating: "The President was not anti-German, but desired friendly relations with Germany. However, there was no one who had come from Europe and had spoken a friendly word to him regarding present-day Germany and her government.

"When I remarked that I feared he was right in this, Kennedy added that he knew he was right. Most of them were afraid of the Jews and did not dare to say anything good about Germany; others did not know any better, because they were not informed about Germany," von Dirksen reported. He added that when he brought up the question of the anti-Nazi attitude of the American press, Kennedy did not have much to say to these statements "and merely mentioned that the press on the East Coast was unfortunately predominant in the formation of public opinion in America and that it was strongly influenced by the Jews."

PERON GRANTS AMNESTY TO JEWISH IMMIGRANTS WHO ENTERED ARGENTINA ILLEGALLY

BUENOS AIRES, July 15. (JTA) -- Amnesty for Jewish immigrants who entered the country illegally after April 1 was granted here by President Peron, following joint intervention by the pro-Peron Jewish group, Organizacioin Israelita Argentina, and the "Sociedad de Proteccion a los Inmigrantes Israelitas." Amnesty for immigrants who entered the country illegally before April 1 was extended by the Argentine President some time ago.

Informing the Jewish organizations of extension of the amnesty, the Department of Migration emphasized, however, that all illegal immigrants entering the country after this week will be arrested and may be deported from the country. At the same time, the immigration authorities notified the Jewish organizations that quota visas will be issued for Jewish immigrants. The O.I.A. was asked to warn Jewish immigrants not to risk arrest by entering the country without a visa after today.

WORLD UNION FOR PROGRESSIVE JUDAISM OPENS SIXTH INTERNATIONAL CONFERENCE IN LONDON

LONDON, July 15. (JTA) -- The sixth international conference of the World Union for Progressive Judaism opened here last night under the chairmanship of Dr. Leo Baeck, leading Reform rabbi in pre-war Germany.

More than 150 delegates from 13 countries will discuss the "part that Judaism can play in resolving the problems of the world today." The conference was opened with religious lectures delivered by Prof. Charles Raven, of Cambridge University, and Dr. D.H. Wice, American director of the World Union. Delegates attending the five-day parley come from Australia, Britain, Eire, France, Germany, Holland, Israel, South Africa, Sweden, Switzerland, Uruguay and the United States.

OSE TO EXPAND MEDICAL AID PROGRAM FOR IMMIGRANTS IN ISRAEL; ANNUAL BUDGET NOW \$300,000

TEL AVIV, July 15. (JTA) -- The OSE plans to extend its activities in Israel, including an expanded medical aid program for new immigrants and installation of convalescent centers for adolescents and children, Drs. Leon Gurevitch and A. Shiffman, OSE directors in Paris and Geneva respectively, declared at a press conference today.

Dr. Nissan Wolfe, OSE director in Israel, told the news parley that the organization's budget in this country this year is \$300,000. Five thousand young Israelis will receive OSE care this year, he said, adding that last year 20,000 days of convalescent care were provided by OSE institutions in the country.

720 TRIPOLI JEWS ARRIVE IN ISRAEL; ARE FIRST OF LARGE CONTINGENTS DUE FROM NO. AFRICA

HAIFA, July 15. (JTA) -- A group of 720 Jewish immigrants from Tripolitania arrived here today aboard the S.S. Caserta. The new arrivals represent the first contingent of an anticipated large-scale movement of Jews from North Africa to the Jewish state.

SIR ELLSWORTH FLAVELLE NAMED HEAD OF GROUP PROMOTING CANADIAN-ISRAELI RELATIONS

TORONTO, July 15. (JTA) -- Election of Sir Ellsworth Flavelle as head of the Canada-Israel Association, set up to promote closer scientific, cultural and economic relations between the two countries, was announced today. Previously, Sir Ellsworth headed the Canadian Pro-Palestine Committee. The Association is comprised of leading Canadian government officials, clergymen, educators and writers.