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## ISRAEL'S INFLATION UNDER CONTROL, FINANCE MINISTRY AIDE SAYS; COST OF LIVING DROPS AGAIN

TEL AVIV, July 24. (JTA) -- The inflationary spiral is under control in Israel and the cost of living index has dropped for the second successive three-month period, David Horowitz, director-general of the Israeli Finance Ministry, reported here today.

In an overall review of the Israeli domestic situation and the prospects for its export program, Mr. Horowitz outlined the basis for a new policy to encourage foreign investments, estimated the prospects for a favorable export program and reported on increased domestic production. He also pointed out that the Arab economic boycott of Israel was doomed to failure.

Mr. Horowitz revealed that the cost of living for the quarter ending February, 1949, had dropped three percent and that the index for the period ending May, 1949 had dropped a further 5.4 percent. The wholesale price index also dropped substantially during these periods, the Finance Ministry official added.

Currency in circulation and bank deposits have increased 23.8 percent between September, 1948, and May, 1949, as against a population increase of 27.8 percent during the same period, he said. During the same period 20,000,000 Israeli pounds have been invested in industrial plants and equipment, while Israeli agricultural production rose 17.6 percent.

To attract an influx of foreign capital, he said, the government has authorized the export of a portion of all profits and dividends earned in Israel. It has also exempted imported machinery from customs duty and has made other adjustments, he recalled.

He stated that Israel's balance of trade at this time is unfavorable, but cited that fact as giving Israel an "enormous" advantage in trade negotiations with foreign nations. Israel's exports in the near future will be citrus products, polished diamonds and potash products, he said. The Arab boycott must fail, he asserted, because in the past Palestine bought more from the Arab states than it imported. In fact, he declared, the Arab foreign trade amounted to only 11 percent of Palestine's total--not a decisive percentage.

## DAYAN NAMED TO HEAD ALL ISRAELI DELEGATIONS TO ARMISTICE COMMISSIONS WITH ARAB STATES

TEL AVIV, July 24. (JTA) -- Lt. Col. Moshe Dayan, commander of Israeli forces in the Jerusalem area, was today appointed by the Army General Staff to head the Israeli delegations to the mixed armistice commissions with Transjordan, Lebanon, Egypt and Syria. It was also announced officially that the first meeting of the Israeli-Syrian commission would take place at Mahanayim, on the border Tuesday, under the chairmanship of Brig. Gen. William E. Riley, chief of staff to U.N. acting mediator Dr. Ralph J. Bunche.

The president of the Moslem community of Haifa today addressed a letter to the Minorities Department of the Ministry of Religious Affairs, extending the "appreciation of the community of the understanding attitude and the assistance provided to repair the Janina Mosque." He also thanked the government for relief assistance to needy Arabs during the recent religious holy month of Ramadan.

ALL IMMIGRANTS IN ISRAELI CAMPS MAY BE HOUSED PERMANENTLY BY END OF YEAR, LOCKER SAYS

TEL AVIV, July 24. (JTA) -- There is a reasonable possibility that the tens of thousands of immigrants presently in transient camps in Israel may receive permanent housing by the end of this year, Berl Locker, chairman of the Jewish Agency in Jerusalem, today told a Mapai meeting here.

He disclosed that the Agency's expenditures this year would total 52 million pounds (\$156,000,000) and that a large deficit was expected. He added that 40 percent of the Jews now arriving come from the Middle East and North Africa.

ISRAELI PRO-SOVIET LEAGUE ASKS U.S.S.R. FOR FRIENDSHIP TOWARD ZIONISM

TEL AVIV, July 24. (JTA) -- A national conference of the Israel League for Friendly Relations with the U.S.S.R. opened here this week-end at the same time that the Mapai, which last week withdrew from the organization, announced that it would establish a Committee for Cultural Relations with Russia within the week. Of the 399 delegates at the League parley, 315 represent the Mapam, 73 are Communists and the remainder are not representatives of any party.

The parley approved the League's aim of enlisting the Soviet Union's "sympathetic friendship" for the Zionist movement and the establishment of brotherly relations with Soviet Jewry. Ahron Zisling, Mapam leader, announced that a memorial forest will be planted at Maale Ahkhamisha in honor of the fallen soldiers of the Soviet Army.

In a message to the conference, Foreign Minister Moshe Sharett underlined the Israeli Government's "deep appreciation" of the understanding displayed by the U.S.S.R. toward the Jewish state during the latter's war for independence, and the aid given Israel through all channels of the United Nations by the Soviets. Stressing that the government welcomes all attempts to promote friendship between the two states, Mr. Sharett expressed the hope that the conference would find a way for enlisting the support of all sections of the Jewish community for this purpose.

NATIONAL PARLEY OF RABBIS, COMMUNAL LEADERS ESTABLISHES NEW COMMUNAL SET-UP IN RUMANIA

BUCHAREST, July 24. (JTA) -- A national conference of rabbis and representatives of the Orthodox, Ashkenazi and Sephardic communities of Rumania to discuss the application of communal by-laws formulated by a rabbinical conference last year and officially proclaimed by the government earlier this month took place here this week-end. The by-laws provide for the merging of all communities in each Rumanian city where Jews live into one organization with representatives of all groups participating.

The parley adopted a resolution today establishing Orthodox sections of the Jewish community of Bucharest, Timiscara, Arad, Brasavo, Cluj, Satu Mare and Tragu Mares. Sephardic sections will be set up in Bucharest, Constanza, Timiscara, Ploesti and several other cities. The parley also pledged closer cooperation with the Jewish Democratic Committee. Speakers paid tribute to the present regime of Rumania for guaranteeing "liberty of conscience and equality of all religions under the constitution and the laws of the country."

It was reported that over 13,000 unemployed Jews were provided with employment during the past year and that 91 vocational schools and centers had retrained over 2,400 adults and 2,700 children. Attempts by Zionists to turn schools into "training centers for emigration" had been defeated by the vigilance of the schools' staffs and students, it was also reported. The Federation of Jewish Communities is concentrating on fighting tuberculosis among Jews, it was reported at the parley.