

DAILY NEWS BULLETIN

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ISRAEL TO FLOAT \$500,000,000 BOND ISSUE IN U.S.; MORGENTHAU HEADS CORPORATION'S BOARD

NEW YORK, Jan. 7. (JTA) -- The Government of Israel will seek to raise \$500,000,000 in the next three years through the sale of bonds in the United States, it was announced today following the first meeting of the board of governors of the American Financial and Development Corporation for Israel, which was established last week to conduct the Israel bond drive.

Henry Morgenthau Jr. was named chairman of the board of governors of the bond organization. In accepting the post, Mr. Morgenthau reported that he had discussed the Israel bond issue with President Truman at the White House last Wednesday.

"Although Israel is not yet three years old, it has already made phenomenal progress in its economic development," Mr. Morgenthau said. "The spirit of democracy, as I saw it in Israel only three months ago, is very strong. It is a part of the daily bread and the daily life of the people, and they are coming very close to us in our common desire for the preservation of human freedom and dignity. In the present world crisis, we need Israel as much as Israel needs us. Therefore, we should regard the strengthening of Israel's economic life as part of the business of safeguarding our own future."

Among the other principal participants at the organizing meeting of the board of governors were Israel Ambassador Abba Eban and James G. McDonald, who has served as American Ambassador to Israel from the first days of its independence. Julian B. Venezky, who has served as chairman of the National Campaign Cabinet of the United Jewish Appeal, was chosen chairman of the executive committee of the bond organization.

McDonald Cites "Closer Relations" Between Israel and West

The board of governors consists of 100 outstanding American business and community leaders, it was announced by Henry Montor, chief executive officer of the A.F.D.C. The importance of the bond issue for Israel's future economic development and for the absorption of 600,000 new immigrants in the next three years was stressed by Ambassador Eban and Ambassador McDonald.

Mr. McDonald characterized the economic progress of Israel as a "modern miracle" which requires for its continuance "only the continuance of the flow of vital agricultural and other machinery and materials from the West." Observing that the Government of Israel is striving for "closer relations with the West," Mr. McDonald said that "these ties will prove of mutual advantage because Israel and the United States can hope to prosper only in a free world."

"The bond issue offers the American people the opportunity to re-enforce a bulwark of freedom in a torn and shattered world," Ambassador Eban said. "In view of the present world situation the defense and economic consolidation of Israel activities have to be telescoped. The existence of Israel has been marked by a growth of population without parallel in the history of modern civilization. The speed with

which new immigrants have been transformed into productive citizens is the best guarantee of the economic maturity of the state of Israel," he said.

The board of governors of the Corporation consists of 100 outstanding American business and community leaders, it was announced by Henry Mantor, its chief executive officer. Among the members of the board are:

Joseph Cherner; Samuel H. Daroff; Abraham Feinberg; George Friedland; Samuel Goldwyn; Abe Kasle; William J. Levitt; Joseph Mazer; Edward D. Mitchell; Sidney Rabb; Lewis S. Rosenstiel; Albert Schiff; Mrs. Dorothy Schiff; Morris Shapiro; Rudolf G. Sonnborn; Roger W. Straus; Benjamin Swig; Jacob Blaustein; Benjamin G. Browdy; Frank P. Goldman; Dr. Nahum Goldmann; Mrs. Samuel W. Halprin; and Dr. Irving Miller.

It is contemplated that after registration with the Securities and Exchange Commission, the bonds will be offered to the public through Jewish communities in the various parts of the country where the American Financial and Development Corporation for Israel will establish branch offices.

400,000 JEWS OVERSEAS WILL NEED J.D.C. AID IN 1951. WARBURG TELLS 36TH ANNUAL PARLEY

NEW YORK, Jan. 7. (JTA) -- Edward M.M. Warburg, chairman of the Joint Distribution Committee since 1945, and recently-elected general chairman of the 1951 campaign of the United Jewish Appeal, last night told 300 delegates to the 36th annual J.D.C. conference that "a minimum of 400,000 Jews in Europe, Moslem areas and Israel" will need the J.D.C.'s assistance during 1951. He spoke immediately after his re-election by acclamation as J.D.C. chairman for the coming year.

Meeting at the Hotel Commodore, the delegates also re-elected Moses A. Leavitt, executive vice-chairman, and Dr. Joseph J. Schwartz, director-general. At the same time, Dr. Schwartz was given a leave of absence to permit him to assume his new post as executive vice-chairman of the U.J.A.

"The aid which the J.D.C. must give cannot be postponed or reduced," Mr. Warburg, who presided, told the conference. "The increasing gravity of world conditions has already established a number of emergency situations all over the world. In this year of impending crises, we must intensify our efforts to aid the hundreds of thousands of Jews overseas for whom 1951 may well be the last hour before midnight."

Mr. Leavitt reported that the minimum which the J.D.C. will require during the coming year for its overseas relief, medical, welfare, emigration and other programs is \$22,350,000. Special emphasis during the coming year, he said, will be placed on J.D.C.'s increased social welfare responsibilities in Israel, where it anticipates spending \$8,000,000 to care for thousands of aged, ill and handicapped newcomers through the agency known as Malben.

In addition, the main points of the agency's 1951 budget call for: emigration aid to an estimated 25,000 men, women and children seeking to leave for new homes in the United States, Canada, Australia, South America and other areas during the coming year; and continued relief, welfare, medical and reconstruction programs on behalf of hundreds of thousands of Jews in Europe--particularly the DP countries, Hungary and France--and in Moslem lands in North Africa and the Near East. For its relief, reconstruction and resettlement programs in 19 countries of Europe, North Africa and the Near East, Mr. Leavitt reported, the J.D.C. appropriated \$36,568,000 in 1950.

Dr. Schwartz, who returned only two days before from a hurried trip to the J.D.C.'s European headquarters in Paris to wind up his affairs preparatory to assuming his new responsibilities as U.J.A. executive vice-chairman, told the delegates that "what I saw and heard only a few days ago has reinforced my feeling that despite all we have done in the past five years, an important part of the task we undertook on Liberation Day still remains to be completed."

ISRAEL'S PLAN FOR PEACEFUL SETTLEMENT OF KOREA CRISIS GETS PRIORITY CONSIDERATION

LAKE SUCCESS, Jan. 7. (JTA) -- Israel emerged this week-end as the central figure in United Nations efforts to secure a peaceful solution of the Korean crisis as the Commonwealth Conference in London began consideration of the Israel plan for an overall Korean settlement prior to its presentation before the U.N. General Assembly.

The plan was no longer in Israel's name, however. It reached London via the U.N. three-man cease-fire group composed of Assembly President Nasrallah Entezam of Iran; Lester Pearson, Canadian External Affairs Minister; and Sir Bengal Rau, of India. This group adopted the general framework of the Israel plan as a final set of peace "principles" and immediately dispatched it to the Indian Prime Minister. It was elaborated in detail before the Assembly's Political Committee by chief Israel delegate, Ambassador Abba Eban.

Stressing that the 12-nation Asian-Arab cease-fire plan rejected by the Chinese Communist Government had the defect of vagueness, incompleteness and a lack of sequential integration of its two parts--a cease-fire and a general conference of all outstanding Far East issues--Mr. Eban offered this stage-by-stage peace formula:

1. An immediate cease-fire; 2. An affirmation by all governments concerned of acceptance of the U.N. objective for free nation-wide elections to establish a unified and independent Korea; 3. Inclusion of Communist China in the U.N. Commission on Korea which will supervise elections and rehabilitation; 4. An agreement for the progressive withdrawal of all non-Korean troops; 5. Initiation of reconstruction projects under U.N. auspices; 6. A U.N. and Chinese Communist guarantee that Korean integrity and independence will be respected by all states; 7. A declaration that upon acceptance of the above steps and agreement on their implementation, urgent consideration should be given "to all questions affecting the relations" of Peking with U.N.

Mr. Eban emphasized that the plan contained elements which all sides have given adherence to, that a definite chronological sequence was offered and that the whole problem was wrapped up in one package. It is known, however, that the Arab states were anxious to see the peace initiative returned to the Asian-Arab bloc, and it was said they were seeking to persuade other members of the coalition to redraft their own resolution proposing a general conference on Far East issues as a substitute for the Israel plan.

ISRAEL CABINET HOLDS REGULAR WEEKLY SESSION; RABBI MAIMON ABSENT, IS CONFINED TO BED

JERUSALEM, Jan. 7. (JTA) -- The Israel Cabinet held its regular weekly meeting today and discussed economic problems. Rabbi Judah L. Maimon, Religious Bloc member of the Cabinet who submitted his resignation in protest against "discrimination" in the religious education of immigrant children, was reported to be confined to his bed. A meeting of a Cabinet committee was scheduled to be held later in the day to resolve the problem raised by Rabbi Maimon's resignation.

A resolution expressing understanding for the attitude taken by Rabbi Maimon was adopted here at a meeting of leaders of the Religious Bloc. At the same time, the meeting decided to urge Rabbi Maimon to withdraw his resignation and continue in office alongside the other two Religious members of the Cabinet. The meeting elected a committee to draft the demands of the Religious Bloc for submission to a three-member Cabinet committee composed of Premier David Ben Gurion, Justice Minister Pinhas Rosen and Interior Minister Moshe Shapira.

The final decision of the Religious Bloc whether or not to remain in the government will depend on the action of the Cabinet committee. Meanwhile, the Supreme Rabbinical Council announced that it will hold a session this week to consider whether the three religious Ministers should remain in the Cabinet.

HISTADRUT GAINS NEW VICTORIES IN ISRAEL MAYORALTY ELECTIONS; TWO MORE MAYORS ELECTED

TEL AVIV, Jan. 7. (JTA) -- The Histadrut, Israel's Federation of Labor, today scored another victory in the mayoralty elections when Ben Zion Hurewitz, Histadrut candidate, was elected mayor of Rehovoth and Benjamin Schwartzman, also a Histadrut candidate, was reelected mayor of Pardess Hanna.

The World Mizrahi Union and the Israel Mizrahi organization issued a statement declaring that they are "shocked and outraged by the scandalous betrayal of the religious cause" by the Mizrahi Laborite and Agudah Laborite groups in Petach Tikvah which voted for the Histadrut candidate for mayor.

"The action of these two groups demonstrates that they place their political labor interests above religious interests," the statement says. It announced that the Mizrahi World Union will seek to review and clarify the relationship between the General Mizrahi Organization and the Mizrahi Laborite faction.

NATIONAL BOARD OF REVIEW OPPOSES BAN ON SHOWING OF "OLIVER TWIST" IN UNITED STATES

NEW YORK, Jan. 7. (JTA) -- A resolution opposing the ban on exhibiting the British-made film "Oliver Twist" in the United States was adopted by the directors of the National Board of Review after they viewed a private screening of the film last week, it was reported here.

The film has been withheld from distribution in the United States since 1948 after protests by the Anti-Defamation League and other Jewish groups on grounds that the character of one of the central figures is anti-Semitic. In the resolution opposing the attitude of the Jewish groups, the National Board of Review said:

"This film version of one of the great classics of social protest should not be kept from the public by open or covert actions of intimidation, boycott or arbitrary censorship. Those who espouse such repression do so, they assert, to prevent group antagonism. In our opinion such methods are not the American way to achieve these ends."

The American Council for Judaism also issued a statement opposing the ban on the film. "No Jew or group of Jews can speak for or represent the Jews of America," the New York chapter of the Council emphasized in the statement. It stressed that the Bill of Rights gives every citizen the right of freedom of expression and this includes the right of the public to see, hear and form its own judgment.

HEAVY RAINS SAVE CROPS IN ISRAEL; IMMIGRANTS IN WORK VILLAGES SUFFER FROM INUNDATION

TEL AVIV, Jan. 7. (JTA) -- The long-awaited rains came down in torrents in Israel last night, practically saving the Jewish state's agriculture from a disastrous drought. Although crops in many parts of the country were saved, farmers in lower Galilee and in the Jordan Valley area reported that their crops had been completely ruined as a result of the drought.

At the same time, the rains brought terrible hardships to newcomers living in tents and huts in "work villages," particularly in the Jerusalem and Rehovot sectors. Tents collapsed and roofs of huts were blown away in a number of immigrant villages in the north. Police and army units were summoned to several villages to aid the immigrants.