

## DAILY NEWS BULLETIN

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STATE DEPARTMENT ANNOUNCES \$23,500,000 GRANT-IN-AID FOR ISRAEL; ARABS TO GET SAME SUM

CHARLOTTESVILLE, Va., July 10. (JTA) -- A grant-in-aid in the amount of \$23,500,000 for Israel, under the economic part of the mutual security program for the Middle East, has been allocated by the U.S. Government subject to the approval of Congress, Assistant Secretary of State George C. McGhee revealed here today addressing the University of Virginia Institute of Public Affairs. The figure of \$23,500,000 in similar aid for Arab states was announced by Mr. McGhee.

"The military assistance requested for the Arab states and Israel follows logically from the policy agreed to by the governments of the United States, France, and the United Kingdom in May, 1950, at the conference of the foreign ministers in London," Mr. McGhee said. "At that time the three governments issued a declaration known as the Tripartite Declaration, recognizing that the Arab states and Israel need to maintain a certain level of armed forces for internal security and to play a part in their defense and that of the area as a whole. The three nations also indicated that they would take immediate action in the event of aggression by one state in the area against another. This was a strong declaration and I am glad to report that the reaction of the countries in the area to the declaration has on the whole been salutary."

Speaking of the funds proposed, Mr. McGhee said: "The President has proposed that up to ten per cent of the \$415,000,000 requested may be utilized in the Arab states and Israel if he determines such action is essential to the security of the United States. This will permit the United States, for the first time, to assist those states directly in building up their defensive capabilities. The government believes that it is in the U.S. interest to preserve and strengthen the ties of these states with the U.S. and the west; to maximize the will of the Arab states and Israel to cooperate in resistance to any expansionist tendencies of the USSR; and to create strength and stability in depth for the benefit of the area as a whole by encouraging the countries to increase their indigenous defensive capabilities, to strengthen their internal security and reduce area rivalries."

"As is well known," Mr. McGhee pointed out, "the partition of Palestine left bitter feelings among the Arab states and peoples. I regret to say that these feelings have not yet been dissipated." He added that "the U.S., on the basis of a policy of strict impartiality as between Israel and the Arab states, has sought through the United Nations and through all other possible means, to obtain a solution to the issues which remain from the Palestine question. I am sorry, however, to state that little progress has been made," Mr. McGhee continued. "The principal issue remaining from the Palestine question is the future of almost 900,000 Arab refugees. The plight of these refugees is tragic. They are a ready target for anti-Western propaganda and constitute a source of instability in the area. Their bitterness over the loss of their homes and lands is understandably deep. The U.S. has participated financially and in other ways in trying to solve the problem of the refugees."

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HAIFA REFINERY WORKERS TO START STRIKE ON THURSDAY; CANNOT GET INCREASE IN WAGES

HAIFA, July 10. (JTA) -- The executive of the Labor Council here today approved the decision of the oil refinery workers to start a strike on Thursday noon. About 600 workers will be involved in the strike called because the management of the refineries refused to grant to the employees the requested increase in wages.

FRANCE SUGGESTS PARTITIONING OF HULEH REGION AS SOLUTION OF ISRAEL-SYRIAN DISPUTE

LONDON, July 10. (JTA) -- Official sources here have confirmed the receipt of a French note suggesting the partition of the Huleh region as a solution of the Israeli-Syrian dispute. These sources told the Jewish Telegraphic Agency that the note was delivered "some time ago."

It is understood that the note came from a "not very high level" and there are indications that no action will be taken on it. British officials are known to oppose the proposal, believing it to be unworkable.

Meanwhile, it was reported here today from Damascus that Major Jacques Rousset, French member of the Israel-Syrian Mixed Armistice Commission, resigned as a result of his disagreement with General William E. Riley, chief of the U.N. Truce Commission, on the handling of Israel's dispute with Syria over the drainage of the Huleh marshes. Rousset's resignation followed that of French Col. George Bossavy whom Israel accused of not being impartial.

CHIEF OF U.N. PALESTINE TRUCE COMMISSION ARRIVES FROM ISRAEL TO REPORT ON HULEH

UNITED NATIONS, N.Y., July 10. (JTA) -- Gen. William E. Riley, chief of the U.N. Truce Commission in Palestine, arrived here tonight for consultations on the Israel-Syrian dispute over the drainage of the Huleh swamps.

In a cabled report received from him yesterday at the U.N. headquarters here, Gen. Riley said that Israel had refused to permit U.N. observers to witness the return to their homes in the demilitarized zone of Arabs who had been evacuated by Israel from there. Some 260 Arab evacuees, he reported, had been returned to Baqqara, on the Syrian border, and were established there in tents until their villages in the zone could be repaired.

The return of the evacuees was negotiated by the chairman of the Israeli-Syrian Mixed Armistice Commission, Col. Samuel Taxis, and the Israel Government in accordance with a Security Council resolution of May 18. Gen. Riley reported that Col. Taxis had personally polled the evacuees, and that approximately 260 of a total of 632 had elected to return. An Israel convoy transported them to Baqqara on July 5, the cable said.

The General complained, however, that Israel had refused to allow more than 11 of 115 Arab civilians who had fled to Syria at the outbreak of the disturbances several months ago to return to their homes in the zone. From the cable it appeared that the present situation is that the Mixed Armistice Commission chairman insists that all evacuated Arabs be permitted to return to their villages, while the senior Israel delegate has placed certain limitations upon their return.

AMERICAN, BRITISH DIPLOMATS IN ISRAEL ACTIVE; EXPECT U.N. TO DISCUSS ARAB BLOCKADE

TEL AVIV, July 10. (JTA) -- Marked diplomatic activity has been noted in the last few days around the government offices at Hakirya and at the United Nations on the question of raising in the Security Council the issue of the Egyptian blockade of the Suez Canal.

In this city, American Ambassador Monnet Davis called on Foreign Minister Moshe Sharett yesterday, while British Minister Alexander Knox Helm visited both Premier David Ben Gurion and Mr. Sharett. Minister Helm's visits were officially termed courtesy visits prior to his return to Britain on vacation. The meetings last week in New York between Israeli delegate Abba Eban and Soviet U.N. representative Jacob Malik are also believed to have dealt with the Suez Canal issue.

Meanwhile, it was learned that on July 1, an Egyptian coastal patrol at the mouth of the Gulf of Akaba intercepted and searched a British freighter--the Empire Roach--which was carrying supplies into the Gulf of Akaba. The suppression of news of the incident until now has attracted the interest of Israel's Foreign Office.

Britain Expects Full Report on Interception of British Freighter

LONDON, July 10. (JTA) -- An official spokesman today told the Jewish Telegraphic Agency that the British Government has not yet protested to the Egyptian Government over the search of the British freighter Empire Roach by Egyptian forces July 1. The incident took place near the entrance to the Gulf of Akaba.

The spokesman declared that no protest is likely to be made before the return of the vessel to Suez and the filing of a full report by the master of the ship. Thus far, the Foreign Office has had only scanty reports of the incident and, for that reason has not publicized the matter. It is understood here that the vessel was carrying supplies for British troops stationed in the Gulf of Akaba.

Australia Sends Protest to Egypt Against Blocking Suez Canal Traffic

SYDNEY, July 10. (JTA) -- R.G. Casey, Australian Minister for External Affairs, today disclosed that he had sent a formal protest to the Egyptian Government against the restrictions the latter has placed on Suez Canal traffic since the outbreak of the Palestine war in 1948.

Minister Casey stressed the commercial and military importance of the Canal as a link between Europe and the East. After detailing Australia's interests in the Canal, he pointed out that the Suez Canal Convention provides free passage during peace and war.

PALESTINE POTASH COMPANY PERMITTED TO RAISE ADDITIONAL CAPITAL TO RESUME OPERATIONS

LONDON, July 10. (JTA) -- The Palestine Potash Company will be permitted to raise up to 1,000,000 pounds (\$2,800,000) in additional capital to finance its operations in Israel, it was learned here today.

Permission to sell securities for this purpose was received after lengthy discussions between British Treasury officials and officers of the company. It is expected that with the raising of new capital, including a substantial amount from the Israel Government which will become a partner in the monopoly enterprise, the company will be able to resume its operations on the Dead Sea before the end of this year.

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RABBIS URGE PARLEY OF PROTESTANTS, CATHOLICS AND JEWS ON BIBLE READING IN SCHOOLS

NEWARK, N.J., July 10. (JTA) -- Declaring the recent State Supreme Court decision upholding the validity of Bible reading in the public schools now poses that debatable issue in a new light, the Rabbinical Council of New Jersey called for a joint conference of Protestant, Catholic and Jewish clergymen for discussion purposes.

The Council hopes that such a joint conference "will arrive at a mutually satisfactory understanding with regard to the reading of the Lord's Prayer and verses from the Old Testament, in the public schools of the state."

DETROIT'S JEWISH COMMUNITY WILL PLAY PROMINENT ROLE IN CITY'S 250TH BIRTHDAY FESTIVAL

DETROIT, July 10. (JTA) -- Detroit's Jewish community will play a prominent role in the festivities climaxing Detroit's 250th birthday festival this month. High point of the celebration will be the presentation of a spectacular pageant, "City of Freedom," telling the story of Detroit.

The late Fred M. Butzel, Jewish philanthropist and communal leader, was selected to symbolize Detroit Jewry in the depiction of the city's history. A Catholic and a Protestant are cast in comparable roles as Catholic and Protestant leaders. Three Detroit rabbis, Leon A. Fram, Moses Lehman and Israel I. Halpern, will act as narrators for the pageant on three successive nights. Catholic priests and Protestant ministers will serve as narrators during the other performances.

NEW YORK CITY ART COMMISSION DISCUSSES MEMORIAL FOR 6,000,000 JEWS KILLED BY NAZIS

NEW YORK, July 10. (JTA) -- The City Art Commission here met yesterday to consider a proposed American memorial for the six million Jews annihilated by the Nazis in Europe, but the vote on the memorial was equally divided, for and against approval. The proposed memorial was designed by the noted Yugoslav sculptor Ivan Mestrovic in association with the famous architect Erich Mendelsohn.

A statement issued by George J. Lober, secretary of the commission, said: "The doubt in the minds of some of the members of the commission was as to the height of the pylon. The commission was favorably impressed by the sculpture bas relief on the wall." Mr. Lober explained that in the original model the pylon, representing the tablet of the Ten Commandments, was designed for a height of ninety feet and has since been reduced to about eighty. It was originally designed, he said, to carry the Ten Commandments in Hebrew on one side and in English on the other, but it has since been decided to have the inscription only in English.

AMERICANS REMINDED THAT JULY 31 IS LAST DAY TO FILE ASSURANCES FOR DP TRANSFERS

NEW YORK, July 10. (JTA) -- Americans wishing to file assurances in order to sponsor the entry of displaced persons into the United States were warned today that July 31 is the last day on which such assurances can be filed. The warning was issued by Commissioner Edward Corsi, chairman of the New York State Displaced Persons Commission. Mr. Corsi explained that the assurances were a guaranty of a job, adequate housing, transportation from the port of entry to the place of resettlement, and that the displaced person would not become a public charge.