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AUSTRIAN GOVERNMENT PUBLISHES ITS VIEWS ON REPARATIONS TO JEWS

VIENNA, July 27. (JTA) -- The Austrian Government today issued its long-awaited communique on the progress of its negotiations with world Jewish groups for a lump sum settlement of heirless Jewish property and for improvement of indemnification and restitution legislation for individual victims of the Nazi regime.

The communique, reviewing the positive results of the talks which have been recessed until the early part of September, stressed that Austrian legislation on these matters does not discriminate against any applicant for property, restitution or indemnification because of his present nationality or present residence.

As proof of this attitude, the communique cited the fact that recently adopted laws restoring certain rights and payments to former civil servants and indemnifying Nazi victims for imprisonment, make no distinction between Austrian residents and non-residents or between persons who have given up their Austrian citizenship and those who retain it.

The communique revealed that a solution to the problem of unclaimed and heirless property, the proceeds of which are to be used for the benefit of survivors, still has to be found. It said that solutions to unsolved problems will be worked out when the talks resume in the fall and expressed confidence that the negotiations will lead to a mutually satisfactory agreement.

Informed sources here stated today that the Social Democrats in the government have withdrawn their opposition to the Jewish demands as a result of an approach made to them by Jewish Socialists at the recent meeting of the Socialist International at Stockholm.

Jewish DP's in Germany Ask for Fund to Liquidate Last Camp

LONDON, July 27. (JTA) -- A proposal that a 5,000,000 mark fund be established from the proceeds of German reparations payments to world Jewish organizations for the purpose of "liquidating" the Jewish DP camp at Fohrenwald, near Munich, was received here today by the Jewish Agency from a committee at the DP camp.

The DP's ask that the fund be used to finance immigration to Israel and elsewhere for those who wish to leave Germany and to set up in Germany those camp inmates who are unable to emigrate. The DP committee suggested that a special commission should be established to supervise such a fund and guarantee that it be used equitably for immigration and rehabilitation. It is estimated that some 50-60 families want to go to Israel and most of those who can leave would like to go to South American countries.

ISRAEL CABINET APPROVES NEW MINISTER TO THE SOVIET UNION

JERUSALEM, July 27. (JTA) -- The Israel Cabinet last night approved Israel's new envoy to Moscow, but his name was not disclosed. The Foreign Ministry will submit the name to Moscow for approval this week. A Ministry spokesman estimated today that an exchange of Ministers would not take place for another six weeks.

Meanwhile, Ha'ar, the Mapai Party's evening newspaper, today reported that the Soviet Union has already submitted to Jerusalem the name of its proposed envoy to the Jewish State. The newspaper says that it is understood that the nomination is not that of Pavel Yershov, the last Minister to Israel. Moscow has not yet indicated where its legation will reside nor has it asked the Israel Government to provide accommodations for the legation.

JEWISH EMIGRATION FROM "IRON CURTAIN" LANDS MAY BE RESUMED

WASHINGTON, July 27. (JTA) -- Diplomatic officials from countries behind the Iron Curtain today indicated here that the renewal of relations between the Soviet Union and Israel will lead to the resumption of Jewish emigration from Soviet satellite countries to the Jewish State and to the release of Mordecai Oren, leader of the pro-Soviet Mapam Party in Israel, who has been imprisoned in Czechoslovakia since 1952.

The same officials indicated that the question of allowing Soviet Jewish citizens to emigrate to Israel to join families separated during World War II may be considered. Many Russian Jewish families were separated in The Ukraine and in other parts of the USSR by the Nazis during their invasion of the USSR. Many Jews were removed to concentration camps or slave labor camps in Western Europe and some of the survivors ended up in Israel.

It was also hinted by the diplomats from Communist countries that Israelis may soon be permitted to visit some of the countries behind the Iron Curtain and negotiations for barter deals and generally increased trade between these countries and Israel may be expected. However, well informed sources in Washington view all the above indications with skepticism.

288 TORAHS SALVAGED FROM FORMER JEWISH CENTERS IN EUROPE

JERUSALEM, July 27. (JTA) -- As a result of joint action by the Ministry for Religion and the Hebrew University 288 Torahs and some 10,000 Jewish religious books have been salvaged from former Jewish centers in Europe.

Ninety-four of 288 Scrolls and most of the books were given to Israel by the Vienna Jewish Community. Ninety other Scrolls were contributed by the Union of Italian Jewish Communities and most of the remaining Scrolls and books came from Dutch communities, including four Torahs from the ancient Portuguese Synagogue of Amsterdam. The Torahs will be distributed among the synagogues of Israel while the books will be divided between the Ministry and the University.

ISRAEL AND ARGENTINA SIGN CULTURAL TREATY INITIALLED BY SHARETT

BUENOS AIRES, July 27. (JTA) -- The cultural treaty between Israel and Argentina--initialled by Israel Foreign Minister Moshe Sharett during his visit here three months ago--was signed here yesterday by Foreign Minister Jeronimo Remorino and departing Israel Minister Yaacov Tsur.

U.S. GOVERNMENT TO ENCOURAGE PRIVATE INVESTMENTS IN ISRAEL

WASHINGTON, July 27. (JTA) -- The opening of a field counseling center in Israel has brought the Mutual Security Agency's contact clearing house service into action for the first time in the Near East, the MSA announced here today.

Inauguration of the contact clearing house service in Israel will provide a two-way exchange of investment opportunities between business firms in the United States and Israel.

Israel has now joined 13 Western European countries and the Philippines in utilizing this service, designed to help encourage and stimulate a greater flow of American private capital and industrial skills abroad.

The contact clearing house service, conducted by MSA's Office of Small Business, helps individual private enterprises--regardless of size--here and abroad to find potential investment partners interested in entering into investment agreements involving capital, industrial patents, processes, techniques, equipment, and services. Once suitable contacts are arranged, the service ends. It is then up to the individual firms to conduct their own negotiations, which may lead to the successful conclusion of an investment agreement of mutual benefit.

Approximately 6,000 industry associations, chambers of commerce, banks and other organizations in the United States, Western Europe, the Philippines and Israel are cooperating as field counselors under the new service. These volunteer counselors collect and disseminate specific investment proposals of private enterprises and arrange contacts between American and overseas firms interested in entering into investment arrangements.

Since inception of the service in Western Europe in 1950, American and European counselors have gathered and disseminated approximately 2,000 specific investment opportunities. It is hoped that extension of the program to Israel will help with that country's plans for speeding up industrial development.

U.S. ZIONIST LEADER URGES ISRAEL TO ABOLISH ECONOMIC CONTROLS

TEL AVIV, July 27. (JTA) -- "Israel must abolish all controls on foreign investments including control of foreign currency," Louis Segal, American Zionist Labor leader, declared here last night prior to his return to the United States.

Mr. Segal told a press conference that the Histadrut should take the initiative in persuading the government to accept such a program. Such a move, he asserted, would improve economic conditions in the Jewish State and at the same time dissipate charges that the Histadrut had forced the imposition of controls on investments. During his visit here, Mr. Segal conferred with Premier David Ben Gurion on a number of political, labor and Jewish problems.

AMERICAN INSTITUTE TO CREATE ARTIFICIAL RAIN IN ISRAEL

JERUSALEM, July 27. (JTA) -- A comprehensive plan to create artificial rain in selected parts of Israel, particularly in the Negev, will be carried out next month, according to an agreement reached between the Prime Minister's Office and the American Institute for Aerological Research. The program is being financed by the Lasker Institute of the United States. Officials of the Institute believe that the project will revolutionize Israel's agriculture.

STEVENSON FINDS MORE PROGRESS IN ISRAEL THAN IN ALL ARAB LANDS

NEW YORK, July 27. (JTA) -- "More human and material progress is concentrated in tiny Israel than in the rest of the Middle East put together," Adlai Stevenson, former Democratic Presidential candidate, says today in a copyrighted article in Look Magazine, reporting on his visit to Israel and the Arab countries.

In a frank appraisal of the Arab-Israeli situation, Mr. Stevenson enumerates the grievances against Israel and the stand of the Israel Government on these complaints. He then comes to the following conclusions:

1. Arab insistence on any major alteration of Israel's boundaries is unrealistic.
2. With regard to Jerusalem, he asserts "it is hard to see how a city divided against itself can stand, let alone flourish." Mr. Stevenson points out that all faiths are concerned with the fate of Jerusalem.
3. With regard to the Arab refugees, Mr. Stevenson says that indemnification for their property is no more than fair and just. As to repatriation, he doubts that any substantial number of Arab refugees would care to live as Israeli citizens under conditions and in an environment quite different from what they remember.

Mr. Stevenson believes that the Arab refugee problem could best be solved by resettlement of the refugees among their kinsfolk, in the Arab countries. He says that while Egypt, Lebanon and Jordan "are awfully crowded," Syria and Iraq are underpopulated. "With some land reclamation, the refugees now multiplying at the rate of 25,000 a year could become a strength instead of a burden" to the Arab countries, Mr. Stevenson writes.

Urges "Outsiders" to Impose Solution of Arab-Israel Problem

"The best reason for inaction on the Arab refugee problem, I suspect, is that to settle the refugees permanently would prejudice the Arab case for repatriation to their former homes in Israel," Mr. Stevenson declares. "In the camps I visited, the refugees told me they wanted to 'go home,' although I am sure they little appreciate the new conditions and environments they would find in Jewish Israel."

Mr. Stevenson believes that "demagoguery and inflamed public passions make reasonable, effective leadership difficult on both sides." He says that conciliation and compromise in the public interest invite charges of appeasement and treachery, even at the risk of assassination - as the late King Abdullah of Jordan found out. He expresses the opinion that both the Arabs and the Israelis "might welcome reasonable solutions imposed by outsiders." "It is too much to expect that such solutions will be worked out by the Arabs and the Israelis themselves, he points out.

Mr. Stevenson emphasizes that the Arab states must be made to feel that America's friendship for Israel does not mean that the United States is "anti-Arab" or esteems the Arabs less. "But this will take far more than words," he stresses.

Commenting on the meaning of the Arab blockade to Israel's economy, Mr. Stevenson says that estimates of the damage it does vary from \$15,000,000 to \$70,000,000 a year, and adds: "Whatever it is, with cheaper food and materials, living and production costs would go down and the competitive position of Israel's industries would improve. But peace is prerequisite to ending the blockade--and the prospects look no brighter."

NINE-MONTH TRIAL OF JEWISH BANK IN GERMANY REACHES END

FRANKFURT, July 27. (JTA) -- Prison sentences ranging up to 18 months and fines up to \$8,000 were demanded today for five defendants in the case of the "Jewish Restitution Bank," founded here in 1949 with the aim of putting blocked and non-transferable Jewish restitution funds to work.

The demand was made by the prosecution at the conclusion of an involved nine-month trial. The defense will make its final summation this week. A verdict is expected about mid-August.

The bank, which included on its board of directors many prominent members of the German Jewish community as well as the Mayor of this city, was padlocked by the State of Hesse in 1950 for alleged violations of German currency regulations and other alleged irregularities. The bank was closed down at a time when a member of the Rothschild banking family was about to assume the bank's ownership and management.

The original indictment charging huge defaults received extensive publicity in Germany, but was completely discredited in the course of the trial. It was also revealed that the bank's president and vice-president were permitted to flee abroad apparently because they enjoyed the status of displaced persons and might have demanded that the case be tried in a court of the United States High Commission rather than in a German court.

The five defendants, who have been on trial for the last nine months, played a subordinate role in the year that the bank was open for business. Best known among them is Joseph Klibansky, a prominent attorney who was counsel for the bank but not an employee or an officer. The prosecution demanded that he be sentenced to 18 months in jail and fined \$8,000 for "being an accessory to violation of certain provisions of corporation law and of foreign currency control regulations."

The second Jewish defendant is Siegfried Frohlich, the bank's cashier, who is a refugee from Eastern Germany. The prosecution contented itself with asking a fine for him and also for Wolfgang Steege, a Hamburg German banker who aided in carrying out foreign currency transactions.

In the case of Dr. Hans Erwin Wolff, an ex-concentration camp inmate who had been appointed the bank's custodian in the summer of 1950, the prosecution pleaded for six months' imprisonment on charges of bribery. With regard to Wilhelm Marrien, a German banker who had been hired as the bank's technical advisor because it was not known that he had been a friend of Nazi Finance Minister Hjalmar Schacht, the sentence proposed by the prosecution was ten months in jail and a \$1,000 fine.

AMSTERDAM MUNICIPALITY LEASES FORMER JEWISH THEATRE TO ISRAEL

AMSTERDAM, July 27. (JTA) -- The Amsterdam City Council has voted to rent the former Jewish Theatre in this city to the State of Israel for the nominal rent of one Dutch guilder for the next 49 years. The theatre will be converted and will become a center for Israel art and commercial expositions.

The building was used by the Nazis during the occupation to imprison, at one time or another, some 70,000 Dutch Jews. From here they were loaded on transports bound for various Nazi death camps. When the building is converted, at an estimated cost of about \$140,000, it will include a special room commemorated to the memory of the martyred Dutch Jews. An eternal light will be kept lit in the room.

