



Jewish Telegraphic Agency

# DAILY NEWS BULLETIN

650 FIRST AVENUE

NEW YORK 16, N.Y.

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VOL. XXII No. 50 - 37th year

Monday, March 14, 1955

## DR. JOSEPH SCHWARTZ NAMED HEAD OF NEW ISRAEL BOND ORGANIZATION

NEW YORK, March 13. (JTA) -- A new sales organization for Israel bonds, under the direction of Dr. Joseph J. Schwartz, executive vice-chairman of the United Jewish Appeal, is now in the process of formation in this country, it was revealed here today by Israel's Finance Minister Levi Eshkol, prior to his return to Israel.

Mr. Eshkol said that the underwriting agreement between the State of Israel and the American Financial and Development Corporation for Israel--of which Henry Montor was executive head--would be terminated by mutual agreement because of what he termed "honest differences" over sales policies. He paid tribute to Mr. Montor and emphasized that there would be "complete continuity" of bond sales during the transition period.

The text of a formal statement issued by Mr. Eshkol reads:

"Throughout my brief visit in the United States on this occasion, during the course of which I have had the honor of discussing the affairs of Israel with the leadership of many Jewish organizations, I have been greatly impressed by the spirit of responsible concern which I have met on all sides for the problems of Israel and the Jewish people. I return to Israel in full confidence that the support and understanding of American Jewry will continue in the future as in the past to sustain and help Jewry overseas through the United Jewish Appeal, to enable us in Israel to continue to absorb Jewish immigrants seeking refuge and dignity in our midst, through State of Israel Bonds, to press forward to the goal of Israel's economic consolidation on the solid foundations which have already been firmly laid.

### Eshkol Explains Reason for the Change

"It is with deep regret that I announce that the Underwriting Agreement between the State of Israel and the American Financial and Development Corporation for Israel for the sale of State of Israel Bonds by the latter will shortly be terminated by mutual consent. However, the American Financial and Development Corporation for Israel will continue the sale of Israel bonds, as hitherto, until a successor organization is established to carry on the sales function.

"The sale of Israel bonds under the Underwriting Agreement between the State of Israel and the American Financial and Development Corporation for Israel will shortly be terminated, by mutual consent, because of honest differences with respect to policies of sales. On March 1, 1954, the State of Israel signed an underwriting agreement with the American Financial and Development Corporation which provided, among other things, for the exclusivity of sales of Israel Bonds by the

American Corporation and which gave full power to the American Corporation to determine the times, places and methods of sale of Israel bonds.

"However, in the light of a variety of considerations, the State of Israel subsequently stated that certain modifications were required in this broad grant of authority. The officers of the American Corporation felt, however, that the enterprise which they led could be managed most effectively only in relation to the Underwriting Agreement as it had been originally drawn. As a result, the State and the American Financial and Development Corporation agreed that the American Corporation should not continue its activities.

#### Israel Minister Thanks Leaders of Bond Organization

"On behalf of the State of Israel, I want to express my deepest appreciation to the officers and directors of the American Financial and Development Corporation for Israel for the extraordinary service they have rendered to the State of Israel during the past four years, in initiating and successfully conducting the sale of Israel Bonds, first, in the United States and now also in 28 other countries. I want particularly to record the gratitude which the State owes to Rudolf G. Sonneborn, president of the Corporation, Julian B. Venezky, chairman of the executive committee, Samuel Rothberg, national chairman of the Bond Organization in the United States, and Henry Montor, chief executive officer of the Corporation.

"I want especially to pay tribute to Henry Montor whom we in Israel regard as one of those who distinguished himself in mobilizing the material and moral resources that made possible the establishment of the State and who, since the State of Israel was established, has been in the forefront of those who have stood by our side with ingenuity, skill and devotion to provide vast sums, first as director of the United Jewish Appeal for 13 years, and now during the past four years, as chief executive officer of the Israel Bond Organization. He was the directing head of the United Jewish Appeal in the critical years following World War II when American Jewry rose to the greatest heights in financing the rehabilitation of the Jewish refugees and the rise of the State of Israel. During the past four years, the American Financial and Development Corporation for Israel has sold \$185,000,000 of State of Israel Bonds.

"It is also imperative that I make clear that the State of Israel has the deepest sense of obligation to the thousands of leaders throughout the United States and elsewhere who gave of their time, energy and resources to create this vital instrument of economic survival for the State. I want to assure the 700,000 bond purchasers that they have rendered help of inestimable value to the State and to reassure them that their investments, already at work and producing dividends in Israel, will be repaid in full, interest and principal.

#### Old Officers to Conduct Sale of Bonds During Transition Period

"The officers of the American Financial and Development Corporation, who have been and continue to be among the warmest friends and supporters of the State of Israel, have offered their fullest services in enabling the State to make the transition to a successor organization to carry on the sale of State of Israel Bonds.

"It is typical of the devotion of the officers of the American Financial and Development Corporation for Israel that they are carrying on the current activities for the sale of Israel bonds and are making available their vast experience to help launch the new bond-selling organization. We also have every hope that they will be among the American leaders who will continue the responsibility for the sale of Israel Bonds in America.

"It is opportune to say to all officers of Israel Bond organizations throughout the United States and to all lay leaders and professional staff that the State of Israel and the new organization to be formed count heavily on the continuation of their labors. It is these men and women, whether volunteers or technical personnel, who have been the backbone of the great organization that has been built up in America. They can feel amply rewarded for their labors in the knowledge that the great sums

of capital they amassed are reflected in the development of Israel during the past four years, in farm and factory, in the exploration and exploitation of mineral and natural resources, in the promotion of housing and irrigation, of tourism and roads and, generally, in the whole fabric of Israel's economic life.

"The State of Israel relies upon the proceeds from Israel bonds as one of the major factors in its development budget. It is glad to see, first, that the American Financial and Development Corporation for Israel is carrying forward wholeheartedly with current sales, and secondly, that every effort is being made, with universal good will, to set into motion, as rapidly as is practicable, a successor organization to carry on its splendid work.

#### Israel Grateful to Dr. Schwartz for Accepting Responsibility

"The responsibility for the establishment of the new sales organization for Israel Bonds has been accepted by Dr. Joseph J. Schwartz, the executive vice chairman of the United Jewish Appeal. The Government of Israel is deeply grateful to Dr. Schwartz for having agreed to accept this great responsibility which means so much to the economic development and consolidation of Israel. The outstanding record of Dr. Schwartz over so many years in the American Joint Distribution Committee and the United Jewish Appeal and the intimate association he has had with every aspect of the development of Israel, admirably fit him for the new responsibilities he has now accepted. The affection and esteem in which he is universally held throughout the Jewish communities of the world have given him a unique stature among the Jews of our generation.

"That Dr. Schwartz should have agreed to shoulder this new task is evidence of his vital concern for the welfare of Israel, and for the unity of purpose which join Jewish communities together for the cause of Israel's freedom, security and development. It is a further mark of the exceptional spirit of devotion of which he has always been a towering and inspiring example.

"The officers of the United Jewish Appeal, headed by Mr. Edward M. M. Warburg, president, and Mr. William Rosenwald, general chairman, have been good enough to agree to make it possible for Dr. Schwartz to engage in the task of establishing the new organization. They have been moved to make the sacrifice of releasing Dr. Schwartz by their appreciation of the great importance to Israel of the uninterrupted continuation of the Bond effort. Numerous individuals of standing in the Jewish communities of the U. S. A. have already assured Dr. Schwartz of the fullest measure of their cooperation with him and it is expected that it will shortly be possible to complete the legal and practical arrangements required so that the new corporation will be able to function as the underwriter of State of Israel Bonds, at which time Dr. Schwartz will formally assume responsibility for the bond sales effort.

"The Government of Israel has every confidence that the efforts of Dr. Schwartz will be crowned with speedy success and has been greatly encouraged by the measure of cooperation which, in so short a time, he has already succeeded in evoking in so many quarters, both on the part of individuals and organizations."

#### U. J. A. Issues Statement on Dr. Schwartz' New Appointment

NEW YORK, March 13. (JTA) -- In connection with the designation of Dr. Joseph J. Schwartz as the new chief executive officer of the Israel Bond Organization, the UJA today issued a statement--signed by Edward M. M. Warburg, president, and William Rosenwald, general chairman--lauding him for the "magnificent contribution" which he made in almost four and a half years as executive head of the national United Jewish Appeal.

The statement said that Rabbi Herbert A. Friedman of Milwaukee, Wisconsin, will succeed Dr. Schwartz on June 1 as executive vice-chairman of the United Jewish Appeal. At the annual national conference of the United Jewish Appeal held in December, 1954 inaugurating the 1955 campaign, it was announced that Dr. Schwartz intended to retire from the office of executive vice-chairman this year and at that time Rabbi Friedman was named as his successor.

## JEWSH CLAIMS CONFERENCE ALLOTS \$10,000,000 TO EIGHTY GROUPS

NEW YORK, March 13. (JTA) -- Ten million dollars has been allocated for global relief, rehabilitation, cultural restoration, and educational programs in 1955 in behalf of victims of Nazi persecution throughout the free world, the Conference on Jewish Material Claims Against Germany announced here today. The allocation is the second the Conference has made from its share of German reparations payments under terms incorporated in the Bonn-Israel reparations pact signed at Luxemburg in 1952.

In 1954, the Conference assigned \$8,705,000 for the world-wide rehabilitation and cultural programs. This year's allocations were made to more than 80 Jewish organizations operating in 22 countries and will affect some 80,000 former persecutees, the Conference said. The bulk of monies--\$7,809,000--will be used for the relief and rehabilitation of indigent, sick or disabled Nazi victims. This includes legal assistance to former persecutees in 13 countries seeking compensation or recovering assets under the West German restitution and indemnification laws. A total of \$1,199,267 has been allotted for cultural and educational projects and the salvage of Jewish cultural treasures ravaged by the Nazis.

The funds available for allocation by the Conference this year represent only one-fifth of the amounts asked. More than 400 Jewish organizations all over the world had requested allocations this year totalling \$50,000,000, of which \$35,000,000 was for relief and rehabilitation projects. Allocations were based primarily on the urgency of need. They were made to established welfare and central communal organizations best qualified by experience to put the funds to the most effective use, the Conference said. The greater part of the relief and rehabilitation program is under the over-all supervision of the American Jewish Joint Distribution Committee.

### Major Part of Funds to be Spent for Projects in Europe

The majority of the relief and rehabilitation funds will be utilized in Europe, particularly in former Nazi-occupied countries where the requirements for individual and communal rehabilitation are most urgent. Projects include the construction of homes for the aged and infirm, institutional repair and maintenance, medical aid, hospitals, health centers, children's homes, kindergartens and child care. The European countries where allocations were made are Austria, Belgium, Denmark, France, Greece, Holland, Italy, Norway, Portugal, Spain, Sweden, Switzerland and Yugoslavia.

Conference funds will also be used in rehabilitation programs that include assistance to Nazi victims in Europe for emigration to overseas lands and for vocational training and rehabilitation loan funds. The sum allocated for cultural and educational projects in 1955 exceeds by nearly \$300,000 the \$905,000 allotted for these purposes last year. An additional \$111,000 was approved providing that the funds become available to the Conference this year.

About 58 percent of the cultural allocation is ear-marked for Jewish education, particularly the acquisition of suitable school buildings and the improvement of existing buildings. An allocation of \$182,000 has been assigned to former Central and Eastern European yeshivot which were transplanted after the war to Western Europe, the United States, Canada, Australia and South America. The sum of \$135,000 has been granted for a program of scholarships and fellowships in the field of Jewish studies, including teacher training, graduate work and independent research.

The purpose of these grants, the Conference said, is to help refugee scholars resume projects interrupted by the war or to embark on new projects. Individual recipients of these awards, in addition to proving their scholastic ability, must be bona-fide victims of persecution. Thirty-six percent of the cultural funds is intended for research and publication projects in Europe, the United States and South America, utilizing the services of refugee scholars. The remaining 6 percent will be devoted to grants for the restoration of Jewish libraries, museums and archives, and the preservation of material relating to Jewish sufferings under the Nazis.

U. N. TRUCE CHIEF LEAVES ISRAEL FOR U.S.; WILL REPORT ON GAZA CLASH

TEL AVIV, March 13. (JTA) -- Maj. Gen. E. L. M. Burns, Chief of Staff of the United Nations Truce Supervision Organization, left here by air today for New York where he will attend a meeting of the UN Security Council Thursday to report on the Gaza situation.

Prior to leaving, Gen. Burns declared that the Gaza incident must not be permitted to undermine future relations between Israel and Egypt. He declared that he would report to the Security Council all he knows about the situation preceding the incident--in which 38 Egyptians and eight Israelis were killed and 45 other Israelis and Arabs were wounded--as well as what he knows about the incident itself.

This was a major point raised by Israel at the meeting last Friday of the special Israel-Egyptian appeals committee, headed by Gen. Burns, which turned down Israel's appeal against the Mixed Armistice Commission decision of last Sunday condemning Israel for the February 28th battle in the Gaza area. At the same time, Gen. Burns agreed with Israel to change the wording to eliminate from the MAC decision such phrases as "brutal murder" and "huge" quantities of explosives used in the battle.

Meanwhile, an Israel patrol car was mined near the Egyptian border yesterday, according to an announcement by an Israel Army spokesman. There were no casualties, the spokesman said.

The Israel-Jordan MAC condemned Jordan this week-end for firing on an Israel patrol March 5 which had discovered Jordanian shepherds and sheep inside Israel territory. The same MAC session also censured Israel because the patrol replied in kind when it was fired upon.

J. N. F. CONVENTION DECIDES TO RAISE \$38,000,000 IN FIVE YEARS

WASHINGTON, March 13. (JTA) -- A five-year plan for the raising of \$38,000,000 in the United States by the Jewish National Fund to help implement a projected Joint Authority for land development in Israel was adopted here today at the conclusion of the three-day "Land for Security" assembly of the JNF of America. Some 500 community and Zionist leaders from all parts of the country attended the parley.

Dr. Harris J. Levine, president of the JNF of America, presenting the plan to the convention, noted that the \$38,000,000 quota sought of American Jewry constituted 70 percent of the Joint Authority's five-year budget of \$53,000,000. He revealed that both the Israel Government and the JNF would participate in the authority, which will develop and manage all public lands in the Jewish State. The government will transfer to the authority all the public lands it now holds, notably the lands deserted by the Arab refugees during the War for Independence. The JNF will transfer to the authority all the lands it has acquired in Israel in the last 54 years.

Dr. Levine also announced completion of the Huleh drainage project, major project of the American JNF for the past several years, which will provide Israel with 15,000 acres of irrigated land on which will be established some 2,000 farming units. He revealed that the JNF's contribution to the security of Israel was the provision of land on which 180 settlements along the borders have been set up, and the planting of dense frontier belts of some 250,000,000 trees.

After reviewing Israel's current situation, the delegates adopted a declaration to the effect "that we shall not rest until the security of Israel is fully assured." The resolution said the "call goes out to all Jews of the United States to rally around

Israel, to ally themselves on the side of the Jewish State through the Jewish National Fund, to the end that the cause of peace and freedom, of which Israel is the foremost representative in the Middle East, may triumph over its adversaries."

### Barkley, Eban Join in Peace Appeal for Middle East

Senator Alben W. Barkley and Israel Ambassador Abba S. Eban joined in an appeal for a conclusion of peace between the Arab states and Israel. Ambassador Eban praised the JNF as "a pioneer in the international movement for the development of neglected lands."

In his first address to a Jewish organization since his election to the United States Senate last November, Sen. Richard L. Neuberger of Oregon, called on American Jews to help Israel develop the Negev. The Oregon legislator, who became the second Jew to serve in the present Senate--the other is Sen. Herbert H. Lehman of New York--told the delegates: "To become self-supporting economically, Israel relies upon the vision and unselfishness of millions of faithful backers all over the world, particularly in the United States."

Dr. Nahum Goldmann, chairman of the executive of the Jewish Agency, told the party that the character of the JNF's work symbolized the highest ideals of the Zionist movement and the Jewish people. He said "no other institution or instrument of the Zionist movement symbolizes and expresses, in the measure in which Keren Kayemeth does, all the great ideals and visions of Zionism at their best."

Dr. Israel Goldstein, president of the American Jewish Congress, defended Israel's position in the controversy with Egypt over the Gaza clash. He said the incident "regarded in the larger context of the problem" was "the latest evidence that the present situation between Israel and its hostile neighbors is an untenable one." He said "a vigilant armistice commission is no solution. The only solution is peace."

Louis Lipsky, veteran Zionist leader, spoke on the fiftieth anniversary of the death of Theodor Herzl, extolling Dr. Herzl for his "prophetic vision" in founding the JNF. The JNF, said Mr. Lipsky, provided comfort to Dr. Herzl in the last years of his life because it was seen as a practical instrument of redemption in which the Jewish masses would participate and through which they would live their Zionist lives.

At the dinner concluding the convention, Mendel N. Fisher, rounding out 20 years of service as executive director, was presented with a citation for "extraordinary service" to the Jewish National Fund. At the same time, Dr. Levine announced that a Mendel N. Fisher Forest in Israel, numbering 20,000 trees, will be planted in tribute to Mr. Fisher for his 20 years of "unexampled devotion to the cause of the redemption of the land of Israel."

### DR. CHURGIN HONORED; LEAVES U.S. TO HEAD A UNIVERSITY IN ISRAEL

NEW YORK, March 13. (JTA) -- A farewell dinner was given here tonight in honor of Dr. Pinchas Churgin, retiring Dean of Teachers Institute of Yeshiva University, who is leaving this month to settle permanently in Israel where he will head the new Bar-Ilan University. More than 500 persons attended the dinner.

The Mizrachi-sponsored university, which will be the first institution of its kind in Israel sponsored by Americans and patterned after American universities, will open for its first classes on September 20 of this year. The chief speaker at tonight's dinner was Dr. William S. Carlson, president of the State University of New York, which last year undertook to cooperate in a project of the Foreign Operations Administration to supply specialists in agriculture, public health, industry and teacher-training as part of the American technical aid program for Israel.