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DULLES THINKS EGYPTIAN-COMMUNIST ARMS DEAL WILL BE CARRIED OUT

WASHINGTON, Oct. 4. (JTA) -- Secretary of State John Foster Dulles refrained today from criticizing Egypt for entering into an arms deal with the Soviet bloc. He told a press conference "it is difficult to be critical of countries which, feeling themselves endangered, seek the arms they need for defense."

The Secretary reported that Assistant Secretary of State George V. Allen's talks with Egyptian Premier Nasser enabled the United States to gain insight into Egyptian motives while Col. Nasser "gained insight" into American motives. As a result there was achieved "better understanding than before."

Asked if it was likely that the United States would make arms available to Israel to maintain the balance of power, Mr. Dulles replied: "No, I could not say whether it would be likely." He explained that the United States does not know the "size or character" of arms Egypt might get from the Soviet bloc or if such shipments would in fact upset the balance of power. He reiterated that it is the American policy to avoid participation in an arms race.

As to whether Egypt would implement its Communist arms deal, Secretary Dulles said he had no reason to believe it would not be carried through. No details were available to the United States, he said, pointing out that most of the Communist-Egyptian deal may not yet be finally settled between the two parties.

Hopes Arms Race Between Israel and Arabs May Be Avoided

Mr. Dulles reiterated hope that an arms race might be avoided. Referring to his address of August 26 he said he still hoped such a solution might be achieved. In this address he said the United States would undertake to issue a security guarantee to Israel and the Arab states if the parties involved could arrive at mutual agreement on frontiers.

At his news conference today, Mr. Dulles made the following statement: "At my press conference the last of August (August 30) I was asked about possible Soviet bloc shipments of arms to Arab countries. I made two observations. The first was that the Arab countries were independent governments and free to do whatever they wished in the matter. My second observation was that from the standpoint of U.S. relations with the Soviet Union, such delivery of arms would not contribute to relaxing tensions. These two observations stand today."

In commenting on Egypt's arms deal with countries behind the Iron Curtain, Secretary Dulles declared: "It is difficult to be critical of countries which, feeling themselves endangered, seek the arms which they sincerely believe they need for defense. On the other hand, I doubt very much that, under the conditions which prevail in the area, it is possible for any country to get security through an arms race. Also it is not easy or pleasant to speculate on the probable motives of the Soviet bloc leaders."

"In my talk about this matter of August 26, I spoke of the fear which dominated the area and said that I felt that it could be dissipated only by collective measures to be designed to deter aggression by anyone. I proposed a security guarantee sponsored by the United Nations. That, I said, would relieve the acute fears which both sides now profess. It is still my hope that such a solution may be found."

Reports Two Talks with Molotov on Egypt

Mr. Dulles revealed that he had talked with Soviet Foreign Minister V. Molotov about the supply of Communist arms to Egypt. The first occasion was two weeks ago when he first arrived in New York, he said. The second took place when Mr. Molotov, and the British and French Foreign Ministers had dinner with Mr. Dulles. The Secretary said he took the same line in addressing Mr. Molotov then as was reflected in his statement of today--that delivery of arms to Egypt would not contribute to relaxation of tensions.

Asked about his interpretation of power in the absence of President Eisenhower and specifically about the dispatch of Assistant Secretary Allen to Cairo, Mr. Dulles said that it was not necessary to consult Mr. Eisenhower on the Allen mission. He said that

he usually sent his assistants, such as Mr. Allen, on missions without consultation with the President, although he indicated he normally would have informed the President of it.

The Secretary was asked if it was clear whether the deal involved the Soviet Union as well as Czechoslovakia. He replied that it was hard to draw much distinction between the two Communist countries.

Meanwhile, it was learned here today that Assistant Secretary Allen left Egypt for Beirut this morning following his second meeting last night with Premier Nasser. After his hour long conference with Col. Nasser, Mr. Allen said of his mission that it had given him a clear understanding of Egypt's policy, and that while the United States was not "in 100 percent agreement" with that policy, the U.S. could now develop its own policy on a more realistic basis.

Mr. Allen also told newsmen that he had read with "great interest" alleged French and British documents which Col. Nasser had shown him and which the Egyptian Premier had claimed in a public address proved that the West had favored Israel in arms sales while believing that Egypt was less aggressive than Israel. (The New York Times reported from Cairo today that an American diplomat in Cairo said that Egypt would obtain 100 Soviet designed MIG fighters from Czechoslovakia and that this might give the Arab states a combat advantage over Israel.)

ISRAEL PROTESTS TO CZECH GOVERNMENT AGAINST ARMING EGYPT

JERUSALEM, Oct. 4. (JTA) -- Israel has told Czechoslovakia that it would regard deliveries of arms by Prague to the Egyptian Government as an unfriendly act, it was announced here today. This statement was made by Shlomo Kaddar, Israel Charge d'Affaires in Prague to the Czechoslovak Foreign Office.

Acting on instructions from Jerusalem, Mr. Kaddar sought an explanation of the Czechoslovak agreement to sell Egypt arms. He told the Czechoslovak Deputy Foreign Minister Mme. Trude Sekaninova that Egypt, armed by the Czechoslovak Government, would be a danger to Israel's security. He insisted that delivering arms to an aggressor nation was tantamount to abetting aggression and could not be excused by terming the matter an ordinary bilateral trade transaction.

ISRAEL TO MEET EGYPT'S MOVE BY INCREASING ITS ARMED STRENGTH

TEL AVIV, Oct. 4. (JTA) -- The most recent armaments developments in the Middle East will force the Israel Army of Defense to speed up its equipment and training programs, Shimon Peress, director general of the Defense Ministry, declared here last night at a meeting of employees of the Ministry. Mr. Peress said that the so-called Ben Gurion Plan of development which the army had been following for the past two years was two-thirds completed as of now, but would have to be scrapped in favor of a plan to meet the needs of the new situation.

He reported progress in the expansion of the arms of every division of the armed forces. Progress in building up the artillery arm had been "immense," he stated, although the army still lacked several types of artillery pieces. The newest types of jet planes acquired by Israel would give the Jewish State new air superiority, Mr. Peress noted. He reported that Israel had obtained a number of naval vessels of various tonnages, including two destroyers from Britain. The communications and infantry branches had obtained new equipment and arms, including a rifle which would increase the fire power of the army, he said.

Discussing Israel's own armaments industry, Mr. Peress said it had increased its productivity and its overall production and that it was producing several million pounds worth of munitions annually, aside from arms produced for export. The industry had acquired some new patents and was producing artillery shells. Also, he disclosed, the cornerstone of a network of jet engine maintenance and repair bases had been laid.

Possibility of Developing Long-Range Rockets Reported

Mr. Peress spoke of the efforts invested in research for military purposes and in exploiting scientific developments in the field. He said that the recent discovery of oil in the Negev and the production of uranium from phosphate ores would contribute to this development. Israel has engaged in rocket research, he revealed, and there are possibilities of its developing bigger, longer-ranged and more powerful rockets.

He criticized British newspapers and public figures who hit France for selling Israel arms. It was the British who were responsible for this situation because they first introduced new weapons into the Middle East by selling them to the Arab states, he said.

Premier-designate David Ben Gurion, who also spoke at the meeting, praised the "encouraging progress" of the defense organization, both qualitatively and quantitatively. He said that while Israel's equipment was inferior to that of the Arab armies, the Israel army was superior in manpower and quality. Another speaker was the Acting Chief of Staff of the army, who also reported on arms acquisitions and the local arms industry.

BOMB EXPLODES IN CASABLANCA JEWISH QUARTER; JEWISH WOMAN KILLED

CASABLANCA, Oct. 4. (JTA) -- A Jewish woman was killed and a Jewish man was wounded when a bomb exploded in front of a cafe in the Jewish quarter of this city yesterday. Two other persons were also wounded.

YIDDISH AGAIN HEARD IN KOVNO STREETS; KONSTANZA SYNAGOGUE CLOSED

TEL AVIV, Oct. 4. (JTA) -- The Jewish community of Kovno, capital of Soviet Lithuania, is now undergoing reorganization and Yiddish is once again being heard in its streets, it was reported here by Mrs. Dinah Klonner, 65-year-old woman who arrived in Israel. She said that a Yiddish troupe from Moscow had arrived there recently and had given performances before capacity audiences in various theatres.

At the same time, an Israel sailor, returning from the Rumanian port city of Konstanza, reported that the synagogue there is closed and that no High Holiday services were held there.

BONN PRESIDENT TELLS GERMANS NOT TO FORGET NAZI PERSECUTIONS

BERLIN, Oct. 4. (JTA) -- In an address to the Conference of German Jurists, Prof. Theodor Heuss, the West German President, turned against the German people's "will to forget" Nazi crimes against the Jews and others.

Jurists should not cast out of their minds the memory of the time when there was neither law nor justice, Prof. Heuss told the assembly, but should keep it alive, even though it might at times be inconvenient. "The ability to forget is a grace bestowed upon man," Prof. Heuss observed, "but it so happens that I am opposed to transmuting this ability into a technique predicated upon the will to forget."

U. S. WILL CONTINUE TO AID REFUGEES IN 1956, BLAUSTEIN TELLS U. N. BODY

UNITED NATIONS, N. Y., Oct. 4. (JTA) -- The United States Government, which appropriated \$1,200,000 in 1955 for the work of the United Nations High Commissioner for Refugees, is prepared to ask Congress "for a further substantial contribution for 1956" if other governments do their share, it was announced here today by Jacob Blaustein, U. S. delegate to the General Assembly's Social, Cultural and Humanitarian Committee.

Mr. Blaustein, who is honorary president of the American Jewish Committee, made his maiden speech during the General Assembly as the opening speaker on the annual report delivered this morning by Dr. G. J. van Heuven Goedhart, UN High Commissioner for Refugees. On behalf of the United States, Mr. Blaustein praised the Commissioner's work and called for further governmental aid.

AMPAL LIGHTS LAMP IN NEW YORK WITH OIL FROM ISRAEL'S FIRST WELL

NEW YORK, Oct. 4. (JTA) -- A lamp lit with oil from Israel's first well at Ampal House here today symbolized Israel's hope and joy at the discovery of oil in the northern Negev. The lamp was lit by Abraham Dickenstein, president of Ampal-American Israel Corporation, with the first sample of the oil from the new well, which had just arrived here by air.

Mr. Dickenstein paid tribute to Israel's pioneering spirit as exemplified in the oil strike, and added that the strike was the product of that spirit "together with the know-how, the financial and moral support supplied by a group of American investors."

Mr. Dickenstein underlined that Israel had a ready market for oil, that she had a refinery capable of handling production, that the refinery was convenient to the well and that there existed a pool of skilled labor. He stressed the fact that Israel alone could supply the necessary market, without any reference to finding customers elsewhere, since Israel was a relatively large consumer of oil for power production purposes.

Philip Cohen, Ampal general secretary in Israel, who had just arrived from Israel with the first samples of oil, gave an eye-witness account of the scene at the site of the strike. He also stressed the convenient location of the gusher, which made transportation to the Haifa refineries commercially feasible. Haifa is about 100 miles from Heletz, where the gusher was brought in.

ISRAEL EXPLAINS SUSPENSION OF "SCRIP" AND GIFT PARCELS FROM U. S.

JERUSALEM, Oct. 4. (JTA) -- The Israel Treasury explained today that its order of last week suspending activities of firms dealing in gift parcels from abroad for Israel residents and "scrip companies" which sell certificates abroad for goods to be purchased in Israel.

Primarily, the Treasury said, the domestic food situation has improved and there is sufficient food available in Israel and anything which semi-governmental agencies need can be purchased for pounds instead of for dollars, therefore there is no need for outside sources to send food into the country.

The Treasury also said that some of the certificates in circulation were not bonafide. The statement noted that the order cancelling the companies applied regardless of whether the "scrip company" or the gift organization was a profit or non-profit group.

VERMONT LABOR PROCLAIMS BOYCOTT OF HOTELS PRACTICING DISCRIMINATION

BELLOWS FALLS, Vt., Oct. 4. (JTA) -- A resolution calling for boycott of all public restaurants, inns, lodging houses, hotels and motels practicing racial and religious discrimination was adopted unanimously at the 51st annual convention here of the Vermont Federation of Labor which is affiliated with the American Federation of Labor.

The resolution was introduced by Vermont AFL president C. E. St. Amour. It noted the existence of a discriminatory pattern in the state's public accommodations industry and called for a campaign to publicize the names of offending institutions in labor and other paper and to urge members of organized labor and their families to avoid those places.

CANADIAN MINISTER SEES ISRAEL ENVOY PRIOR TO DEPARTURE FOR USSR

OTTAWA, Oct. 4. (JTA) -- Israel Ambassador Michael Comay had a lengthy discussion here with Lester B. Pearson, Canadian Secretary for External Affairs, prior to the latter's departure by special plane on a tour of the Soviet Union and Asia, it was learned here today. Their talk chiefly concerned the latest developments in the Middle East situation.

Egyptian acceptance of Soviet arms may be the first step towards war in the Middle East. Senator David Croll said here today. "It may be the intention that Israel shall be the first victim of the armament move, but Israel is not the only nation thus put in jeopardy," he declared. "The security of all peace-loving nations in the world is endangered as a result of this naked bid by Russia to win the Arab nations to its side by providing them with military equipment."

The Jewish Senator urged Britain and the U.S. to act quickly to prevent a war of revenge against Israel. He said that Belgium, Holland and other small nations have received arms as a measure for the preservation of peace, and he believed that Israel, in the light of the latest developments, should be treated similarly by NATO.

ISRAEL INVESTMENT COMPANY FILES SHARES WITH N. Y. STOCK EXCHANGE

NEW YORK, Oct. 4. (JTA) -- An application to register 9,000 shares of the Israel-Rassco Investment Company of Tel Aviv has been filed with the New York Stock Exchange, it was announced here today. Purchase of the stock, par value 100 Israel pounds, would be only by State of Israel bonds, an unusual arrangement.

The company, formed by the Rassco housing corporation and Sabego, S.A., of Geneva is engaged in building housing, suburban settlements and agricultural villages in all parts of Israel. It would obtain Israel pounds from the Israel Government in return for the bonds accepted as payment in this country.

SO. AFRICAN BUSINESSMEN GO TO ISRAEL; WILL PLACE ORDERS FOR GOODS

JOHANNESBURG, Oct. 4. (JTA) -- A group of 25 South African businessmen will leave for Israel October 15 for a two-week tour of the Jewish State and its industries with the aim in mind of placing extensive orders for Israel goods. The party will be accompanied by an Israel vice-consul from here and by a representative of the South African press who will report its progress to newspapers throughout the Union.

The group will include the heads of leading South African wholesale and retail establishments. The tour, which will be conducted by Israel officials, is meant to introduce Israel and Israel goods forcefully to South African businessmen, and at the same time drive home to Israel manufacturers, through personal contact, the specific requirements of prospective foreign customers.

B'NAI B'RITH TO INSTAL LODGE IN ASUNCION; FIRST LODGE IN PARAGUAY

WASHINGTON, Oct. 4. (JTA) -- Installation of Asuncion Lodge in the capital of Paraguay will mark the first time that B'nai B'rith has a lodge in every country of South America. It was announced here today by the B'nai B'rith headquarters.

The new lodge will be installed at the end of this month, the announcement said. Paraguay with a Jewish population of 3,000, is the tenth country in South America to have at least one B'nai B'rith lodge. Argentina has five lodges; Brazil and Chile have four; Colombia, Bolivia and Uruguay have two each; and Ecuador, Peru, Venezuela and Paraguay have one each, making a total of 23. The first B'nai B'rith lodge in South America was founded in Buenos Aires 25 years ago.

J. N. F. EXECUTIVE ARRIVES IN U. S. FOR THREE MONTH VISIT

NEW YORK, Oct. 4. (JTA) -- Hanan Yarden, chief administrator of the head office of the Jewish National Fund in Jerusalem, arrived in the United States for a three-month stay during which he will visit a number of Jewish communities in the interests of the JNF, particularly of the Foundation, which is a JNF department dealing with wills and bequests and larger contributions for projects in Israel bearing the names of the donors.

SEPHARDIC CHIEF RABBI OF MEXICO DIES AT 82; CAME FROM ISTANBUL

MEXICO CITY, Oct. 4. (JTA) -- Rabbi Abraham Levy Villalobos, Sephardic Chief Rabbi of Mexico, died here at the age of 82. Rabbi Villalobos came to Mexico in 1923 from Istanbul where he had served for many years as a member of the Sephardic Beth Din.