



Jewish Telegraphic Agency

DAILY NEWS BULLETIN

660 FIRST AVENUE

NEW YORK 16, N.Y.

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Vol. XXII No. 18 - 38th year Thursday, January 26, 1956

EBAN RESUMES DISCUSSION WITH DULLES ON ISRAEL'S PLEA FOR ARMS

WASHINGTON, Jan. 25. (JTA) -- Israel Ambassador Abba Eban resumed discussion today with Secretary of State John Foster Dulles on Israel's application for American arms. The discussion lasted 45 minutes and was not completed.

Following the meeting, Ambassador Eban said it was agreed that he should continue to be in touch with Secretary Dulles. No definite date was set for another meeting, he stated. He refused to say whether he was optimistic after talking with Mr. Dulles. Today's conversation, he explained, was not completed because Mr. Dulles had another meeting scheduled, making it necessary to interrupt the Eban-Dulles talk.

President Eisenhower was asked today for his opinion on the exclusion of the Arab-Israel issue from domestic politics and replied that he supported Secretary of State Dulles' approach, saying his own view was clear.

The President was confronted with a question that sought to determine if he thought it possible to exclude certain foreign affairs issues and whether this should be done. The Arab-Israel matter was cited as the lone example. Mr. Eisenhower replied that he believed Mr. Dulles was in basic accord with him.

LABOR PARTY OFFERS PROGRAM FOR EISENHOWER-EDEN TALKS ON MIDDLE EAST

LONDON, Jan. 25. (JTA) -- A statement of policy, calling for strengthening of the United Nations truce supervision machinery in Palestine, inclusion of the Soviet Union in a Great Power attempt to keep the Middle East from erupting into warfare and shoring up of the Tripartite Agreement as an "absolutely indispensable instrument" for peace in the region, was issued here today by the British Labor Party.

The statement came on the heels of yesterday's heated debate in Commons over Britain's Middle East policy and in connection with Prime Minister Sir Anthony Eden's sailing for the United States to confer with President Eisenhower. Expressing the "gravest concern" over the threat of war in the Middle East and hitting the British Government for its "weakness, confusion and vacillation" as well as its failure to "put forward a bold and comprehensive program," the national executive of the Labor Party proposed that at the forthcoming Washington conference the British Government:

1. Press for immediate strengthening of the UN supervisory organization, suggesting the formation of a small international force to assist the UN truce unit in preventing further bloodshed and tension.
2. Insist that the Tripartite Declaration remain an absolutely indispensable instrument for preventing war and that the three signatories -- United States, France and Britain -- make clear that they would immediately, and with all necessary forces, come to the aid of the attacked party.
3. Secure an arms balance between Israel and the Arab states and maintain it according to a strict interpretation of the obligations to be observed by the signatory powers.
4. Propose that the three powers formally and publicly request the Soviet Union join them in maintaining peace between Israel and the Arab states and in maintaining a balance of weapons.
5. Stress the urgent need for a real settlement of the Israel-Arab dispute, which must include border rectifications by both sides, recognition of Israel by the Arab states as well as their ending the economic blockade of Israel, and resettlement of the Arab refugees with assistance from without.
6. Propose setting up of a comprehensive plan for Middle East aid under UN auspices in order to provide funds needed for large-scale economic development and early settlement of the refugees, this aid to be available to all states willing to cooperate peacefully for the benefit of the region as a whole.

The Labor Party's insistence on an appeal to the USSR to help keep the peace in the Middle East was rejected last night by Foreign Secretary Selwyn Lloyd who, in the midst of the debate, replied to a similar point raised by Labor Party chairman Hugh Gaitskell. The British Government appealed to the USSR a number of times, on different levels, to halt the shipment of arms into the Middle East, but was brushed off. Mr. Lloyd stated as he turned down Mr. Gaitskell's demand.

LONDON, Jan. 25. (JTA) -- An appeal to the governments of the world to supply Israel with arms to defend itself and to make every effort to bring the Arab states into direct peace negotiations with Israel was voiced here today as the four-day session of the executive of the World Jewish Congress came to a close in the early hours of the morning. The appeal was incorporated in one of a series of resolutions, most of which dealt with Israel, but some of which also concerned themselves with the problem of relations with Soviet Jewry, German indemnification and other problems of major concern to world Jewry.

Noting that Arab belligerency against Israel is a threat to the peace of both Israel and the world, the statement expressed the unity of opposition of the Jewish people to any efforts which would exact territorial concessions from Israel as a price of peace. "Such concessions," the unanimously adopted declaration said, "can only impair the viability of the small State of Israel and whet the appetite for aggression of those Arab lands which threaten its integrity." Appeasement of such states can only lead to aggression, the statement stressed.

The resolution expressed the deep concern of the World Jewish Congress that the signatories of the Tripartite Declaration of 1950 guaranteeing the borders of Israel and the Arab states -- United States, Britain and France -- had "undermined the agreement through impairing the position of Israel by delivering arms to the Arab states." The Czech-Egyptian arms deal has "further intensified the threat" to Middle East peace, it went on. "In this context, the Congress called on all governments of which Israel had asked arms to provide them without further delay."

Another resolution made a special appeal to the neutral states of Asia and the Middle East who have proclaimed the "high moral principles of mutual respect and non-intervention as a basis for peace in Asia and the Middle East," but who have "yielded to demands of the Arab League which belie these principles" to "recognize the legitimate rights of Israel to take its place in their councils and to contribute in full measure to the development of all lands in the Middle East and Asia." It decried the exclusion of Israel from full participation in cooperative efforts of the countries of the East "towards achieving human dignity, human freedom and peace."

The session lashed out at the Arab economic boycott of Israel and pointed up the extension of that boycott program to Jewish citizens of other lands. It called upon all countries committed to the principles of democracy to reject, in their commercial dealings, any discriminatory conditions which the Arabs might seek to impose, conditions which were not in accord with the principles of the Universal Declaration of Human Rights. At various points in the resolutions, the Congress expressed the determination of world Jewry to stand by Israel in its current battle for peace and security and noted that the Jews of all the world, not only those of Israel, had a vital stake in Israel's welfare.

Asks Cultural Self-Expression for Jews in Soviet Union

Turning to the Jews of the Soviet Union, the Congress asked that they be given facilities for developing or renewing activities which would "enable them to enjoy opportunities for religious and cultural self-expression." It welcomed the increase in international contacts which have facilitated the visits of individuals and parties to the USSR and other East European countries, and expressed the hope that progress in this field would lead to contact between the Soviet and East European Jewries and the Congress and communities throughout the world.

On the German question, the session instructed its officers to set up a committee to consider the best means of dealing most effectively and speedily with the problem of unclaimed and heirless property. It called on the West German Government to eliminate negative aspects of the amendments to its indemnification law, and to provide "in clear terms" for German liability for persecution in former satellites of the Nazi Reich. Other resolutions urged Czechoslovakia to release from prison Israeli Mapam leader Mordecai Oren and greeted the tercentenary celebration of British Jewry.

In an address just before the session closed, Dr. Nahum Goldmann, president of the World Jewish Congress, told the 70 delegates from Jewish communities in 64 countries, that "there are chances of a peaceful settlement (of the Arab-Israel conflict) without sacrifices which Israel could not accept."

Dr. Goldmann, however, turned most of his attention to the problem of North African Jews noting that a considerable number of them want to and should be permitted to go to Israel. However, he depicted Israel's "most serious" financial situation which, he underlined, might become even more difficult if the United States and France agreed to sell Israel the arms which it has requested to re-establish the military balance with the Arab states.

Since such arms would not be delivered free of charge, he continued, the Israel Treasury would have to continue to spend large sums on armaments making it increasingly difficult to spend more on housing, schools and hospitals for new arrivals. World Jewry only supplied a part of the expense of receiving new immigrants, he noted, and the large deficit of the Jewish Agency was bound to increase. These were facts which could not be ignored in considering the immigration problem, he said, and there was no point in talking about the transfer of 100,000 new immigrants.

JEWISH LEADERS CONFER WITH GERMAN ENVOY ON BENEFITS FOR NAZI VICTIMS

WASHINGTON, Jan. 25. (JTA) -- A delegation representing the Conference of Jewish Material Claims Against Germany today visited the Ambassador of the German Federal Republic here and conveyed to him an appeal to improve benefits provided in German indemnification laws for Nazi victims who suffered persecution beyond the borders of Germany.

The Claims Conference, composed of 22 major world Jewish organizations, is urging the German Government and Parliament to adopt measures that would make compensation for displaced persons and other persecutees from non-German areas more equal with that received by Nazi victims who were residents of Germany. These areas include former Nazi satellite countries such as Hungary and Rumania which, while nominally independent, engaged in anti-Jewish acts at the instigation of Nazi authorities.

The delegation which conferred with the German Ambassador, Dr. Heinz Krekeler, consisted of Jacob Blaustein, senior vice president of the Claims Conference and honorary president of the American Jewish Committee, Frank Goldman, honorary president of B'nai B'rith and Jacob Zuckerman, vice president of the Jewish Labor Committee, all of which are constituent organizations of the Claims Conference.

The Conference has submitted several proposals for improvement of the indemnification laws to the West German Government. One of these, which would extend indemnification benefits to former residents of what is now the Eastern zone of Germany, has been approved by the West German cabinet and incorporated into an amendment now under consideration by the German Parliament. The Conference's appeal for further improvements centers around increased benefits for former residents of lands which were outside the borders of Germany as they existed on December 31, 1937, and who suffered the longest periods of incarceration and lost all of their property, but receive the least compensation.

POUJADIST LEADER RESIGNS FROM MOVEMENT; SAYS IT BECAME ANTI-SEMITIC

PARIS, Jan. 25. (JTA) -- Jean J. Kaufman, one of the leaders of the Poujadist movement, announced his resignation yesterday declaring that the movement had taken a "definitely anti-Semitic turn." He was chairman and founder of the Lower Rhine Department of the Union for the Defense of Tradesmen and Artisans, as the Poujadist movement calls itself.

In a letter to Pierre Poujade, leader of the movement which won 52 seats in the recent French general elections, M. Kaufmann accused the union of Hitler-like propaganda. He noted a recent speech by Leon Dupont, a Poujadist spokesman, as an example of the anti-Semitism of some of the movement's leaders. M. Kaufmann also accused Poujade himself of lying when he said that he had received the "benediction" of French Chief Rabbi Jacob Kaplan. He added that Poujade had never written to Rabbi Kaplan, as he claimed. (Rabbi Kaplan denied last week that he had ever had contact, in person or by letter, with Poujade and added that, in any case, the question of anti-Semitism would be decided by the words and deeds of its leaders, rather than by any private understandings.)

The former Poujadist leader said that he had attended a meeting of the movement in Paris on January 16, where he found an atmosphere of "hatred, provocation and racial prejudice." He said he viewed this atmosphere as presaging "pogroms and lynchings." He alluded to Dupont's speech at that meeting, when the latter spoke of "financial trusts without nationality" and attacked aliens, mixing in Jewish names.

AMERICAN ANTI-ZIONIST GROUPS SEEK TO INFLUENCE POLITICAL PARTIES

NEW YORK, Jan. 25. (JTA) -- A newly-formed Committee for Security and Justice in the Middle East yesterday warned that the furnishing of arms to Israel would drive the Arabs "once and for all into the outstretched arms of the Kremlin." The new group, composed of 29 members, most of whom are well-known anti-Zionists, also urged the chairmen of the Republican and Democratic National Committees to agree on the removal of Middle East issues from domestic politics.

Meanwhile, the plea for domestic political silence with regard to Israel-Arab issues was echoed by the American Friends of the Middle East, which is now holding its two-day annual conference here. In a large advertisement in the New York Times, the group printed a form which would authorize it to speak on behalf of the signer in favor of "taking the Palestine question out of domestic politics."

HERUT LEADER REPORTS IN U.S. ON MERGER TALKS WITH GENERAL ZIONISTS

NEW YORK, Jan. 25. (JTA) -- The Herut Party and the General Zionists in Israel are currently "in the midst of high-level negotiations" looking toward the merger of the two groups into a "solid anti-left bloc movement," Yaacov Liberman, member of the world executive of the Herut Party, announced at a press conference here today. The Herut is currently Israel's second strongest party.

Mr. Liberman asserted that the "apparent readiness" of the Western Powers to abandon Israel has forced home a lesson in Israel that the Israelis must depend upon themselves for their own salvation. He noted that the West was "our natural ally," but said that the West's courting of the Arabs was a policy of "total bankruptcy." He said that "only a strong Israel can guarantee security for the West and Middle Eastern peace."

ARAB BLOKKADE OF ISRAELI SHIPPING FOUND DETRIMENTAL TO U. S. INDUSTRY

NEW YORK, Jan. 25. (JTA) -- "Parallel to the increase in trade between the U. S. and Israel, shipping services between the two countries have constantly developed and now embrace the East Coast and Southern ports of the U. S.," Gottlieb Hammer, president of the American-Israeli Shipping Company, declared today at a luncheon of the American-Israel Chamber of Commerce at the Hotel Commodore.

"But the farming areas and industries along the Pacific coast range of the U. S. are deprived of profitable direct trade with Israel because the blocking of the Suez Canal by Egypt to Israeli shipping prevents the extension of Israel's maritime services to South East Asia and across the Pacific," Mr. Hammer added, pointing out that American vessels bound for Israel were also unable to use the Suez Canal.

Reporting that U. S. - Israel trade totalled close to \$100,000,000 in 1955 and that more goods could be exchanged but for such transportation problems, the speaker also described Israel's growing foreign trade in general and the large potentials existing for Israel's trade in general and the large potentials existing for Israel's trade with East Africa, India, Burma, Indonesia and other Far Eastern countries -- a trade that depends on shipping services that could be made part of Israeli and American lines across the Pacific. "But the paradox is," said Mr. Hammer, "that while the U. S. is spending billions in foreign aid in an attempt to better the economic lot of free people all over the world, Arab unreasonableness and intransigence block the development of trade and the free exchange of goods by putting obstacles to shipping."

JEWISH COLONIAL TRUST SHAREHOLDERS URGED TO EXCHANGE THEIR SHARES

NEW YORK, Jan. 25. (JTA) -- Shareholders of the Jewish Colonial Trust throughout the world were urged to claim reimbursement as a result of JCT's reconstruction. An announcement made public here today says that arrangements have been made whereby the Trust's holding of the stock in Bank Leumi le-Israel was sold to a new Israel company styled Otzar Hityashvuth Hayehudim which has a structure entirely parallel to that of the JCT, payment being in the form of shares of the Israel company.

"The Trust has reduced its capital from shares of one pound to shares of two shillings and six-pence each, and is repaying this capital to its shareholders, not in cash, but by the distribution of five shares in the new Israel company for every share they hold in the Trust," the announcement says. "These arrangements have gone through the various formal channels, including confirmation of the reduction of capital by the court in England, and the Trust's shareholders should now claim their entitlement from the company. For each JCT share they send in they will thus receive five shares in the new Israel company, and they will remain the owners of one reduced share of two shillings and six-pence in the JCT."

The necessary forms can be obtained from the secretaries of Otzar Hityashvuth Hayehudim, Jewish Colonial Trust Ltd., either in London or Tel Aviv, or, as convenient, from the representative office of Bank Leumi le-Israel in New York. It is understood that the new Israel company, which will receive dividends on its Bank Leumi stock, will pay regular dividends. Permission for quotation of the Otzar Hityashvuth Hayehudim stock on the Tel Aviv stock exchange will be requested.

The Jewish Colonial Trust, established by the World Zionist Organization in 1899 is the parent institution of Bank Leumi le-Israel, previously the Anglo-Palestine Bank. It ceased carrying on active banking business of its own in 1934. It was intended by Dr. Herzl to serve him as his main financial instrument in carrying through his political plans. The Zionist organization did not, however, develop in the direction which Dr. Herzl had intended and the Jewish Colonial Trust was forced to turn to ordinary banking business. It played, however, a role of vital importance in the development of Palestine through setting up an affiliation which under the successive names of the Anglo-Palestine Company, the Anglo-Palestine Bank and Bank Leumi le-Israel developed into the leading financial institution of Palestine and Israel.

In the year 1934 it was decided to give up all banking business and the Jewish Colonial Trust became a holding company, the main function of which was to form a firm link between the Zionist organization and the Bank Leumi le-Israel. During the last 20 years the Jewish Colonial Trust has written off all losses which it had sustained in its banking affairs and has, with the help of the Anglo-Palestine Bank reconstructed the whole of its capital. It has, however, paid no dividends for many years as the whereabouts of most of its very numerous shareholders are unknown. Many of them have disappeared as a consequence of the two world wars, and many others have changed their places of residence without notifying the company. The business of the Anglo-Palestine Bank, which was an English company, was transferred some five years ago to Bank Leumi le-Israel, a company incorporated in Israel.

KATZEN NAMED CONSULTANT ON USE OF ISRAEL CURRENCY ACQUIRED BY U. S.

WASHINGTON, Jan. 25. (JTA) -- Secretary of State Dulles today appointed Bernard Katzen to be special consultant on the use of local currencies acquired by the United States in Israel. Some \$3,000,000 have accumulated in the U. S. account in Israel through the sale of American publications there under the existing information guaranty program. Mr. Katzen, a New York attorney, was previously associated with the Republican National Committee. He plans to visit Israel in February.