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MOSCOW'S "WARNING" WILL NOT DETER U. S. FROM ACTION ON ARAB-ISRAEL ISSUE

WASHINGTON, Feb. 14. (JTA) -- The State Department made known today that the United States and its allies do not intend to allow a Soviet veto in the United Nations Security Council to block Western action to bring about Arab-Israel peace.

The State Department views Moscow's statement of yesterday as an effort to turn world public opinion against any action in the Arab-Israel dispute except through the Security Council where the Soviet Union has veto power. State Department spokesman Lincoln White said today that the United States wanted to work through the United Nations if it possibly could. "But," he said, "should the United Nations become paralyzed as it has in the past due to Soviet action, then there's no alternative to working outside the United Nations."

U. S. officials said the United States has no intention of rushing armed forces to the Arab-Israel area. Instead, it was said, the United States is concentrating on diplomatic efforts to obtain an Arab-Israel compromise settlement. The United States is also seeking, jointly with England and France, immediate and long-term measures to deter aggression by either side.

These officials made it plain that the United States will not allow itself to be restricted by Soviet veto in the UN Security Council if it becomes necessary to act with military forces to prevent war. Russia's statement on the Arab-Israel controversy is considered particularly hypocritical because Moscow helped create the present crisis by providing munitions to Egypt.

Sen. Walter F. George, chairman of the Senate Foreign Relations Committee, commenting on Moscow's "warning" against sending foreign troops into the Arab-Israel area without prior agreement and United Nations approval, said today he knew of no Anglo-American plans to use troops in that area.

"If we become involved there, Russia would directly or indirectly -- but ultimately directly -- intervene," he stated, adding that he is against sending U. S. troops into the Middle East lest Russia seize on such action, as an excuse to move its own armies. He emphasized that he retains hope that an Arab-Israel settlement can be reached. The Western nations should do "all in their power to help them reach an agreement," he said.

"Our representatives in the Middle East area have told the committee they feel that an accommodation can be brought about," he stated. "We should do all we can to further attempts to negotiate a settlement."

Sen. George D. Aiken, member of the Foreign Relations Committee, called the Moscow statement "pure propaganda." He said "I haven't heard of any plan to send troops to the Middle East," and added: "The Russians are trying to increase their influence among the Arab states."

Britain Says Moscow Gives False Picture on Washington Decisions

LONDON, Feb. 14. (JTA) -- The Foreign Office here declared today that the statement issued by the Soviet Government yesterday in Moscow in connection with the recent Eisenhower-Eden talks in Washington on the Arab-Israel situation "gives an entirely false picture of the Washington decisions."

The Foreign Office pointed out that the Washington communique issued at the conclusion of the Eisenhower-Eden conference "dealt with action that might have to be taken under the Tripartite Declaration." The Foreign Office emphasized that the "Declaration was designed to assist in the maintenance of peace and security in the area by making clear that we should oppose the use of force to alter frontiers or armistice lines resulting from the cease-fire of 1949. We said we would take action both inside and outside the United Nations."

"In the light of increased tensions caused primarily by Soviet action, the three powers decided in Washington that it was their duty to make plain that the Declaration means what it says," the Foreign Office stated. "There has been no question of sending forces into Middle East countries without their consent. On the contrary, the purpose of the Washington statement and the action taken on it, has been to show the countries concerned

that if they become victim to attack there will be friends within reach and ready to act in their support."

Prime Minister Sir Anthony Eden, replying to a number of queries by Labor MP's on the Soviet statement yesterday, told Commons today that the Tripartite Declaration "is fully in harmony with the terms of the United Nations Charter. In fact," Sir Anthony continued, "I have never hitherto heard anyone cast doubt on that fact at all." Asked by Labor Party leader Hugh Gaitskell whether the British Government would make an official reply to the Soviet statement, Sir Anthony replied: "I would certainly consider that. But I have not yet had an opportunity of consulting the Foreign Secretary in detail on the matter."

Emanuel Shinwell, member of the former Labor Cabinet, criticized the Prime Minister's statement yesterday on the Middle East situation as less clear than it might have been, and asked whether it was the intention of the three Western powers to prepare action only in the event of hostilities--after the act--or whether they were also considering positive action to prevent trouble. In reply, Sir Anthony refused to go beyond stating that in reference to the Tripartite Declaration "you know well what our position is, remains has been, will be--that we will carry out the terms of the 1950 Declaration." He also indicated that the conclusions reached at the current tripartite discussions in Washington would not be made public.

France Considers Moscow's Statement "Unjustified"

PARIS, Feb. 14. (JTA) -- The Soviet Union's criticism of the Tripartite Declaration yesterday was termed "unjustified" today in official French circles, which insisted that the declaration never had any other purpose than the safeguarding of Middle East peace and respecting the independence and sovereignty of the states in that part of the world.

The declaration, these circles added, had made its contribution to the maintenance of that peace. It foresees action by the three powers in the event of need "within the framework of the United Nations whose fundamental principles inspired the French Government" in its attitude toward the problems of the region.

ISRAEL FINANCE MINISTER PRESENTS 775,300,000 POUND BUDGET TO KNESSET

JERUSALEM, Feb. 14. (JTA) -- Finance Minister Levi-Eshkol presented Parliament today with a budget of 775,300,000 pounds for the 1956-57 fiscal year, the largest budget to date. At the same time, he warned the deputies that he would shortly have another budget for their approval, a special 50,000,000 pound defense budget.

Despite the fact that the new budget is 3.7 percent higher than last year's, Mr. Eshkol pledged that there would be no increase in taxation, neither direct nor indirect. He said that the extra income would come from the 37,500 immigrants who swelled Israel's population during the past year. He was also looking into means of reducing taxes for families with many children, he reported.

In the picture of Israel's economy which he drew for the Knesset, Mr. Eshkol foresaw no price rises in the coming year and said that last year the government was able to keep price rises to five percent, the smallest increase in Israel's history. The national income rose 12 percent last year to 1,750,000,000 pounds and investment rose by 34 percent to 600,000,000 pounds. Employment rose by seven percent, the population increased--by births over deaths and by immigration--by 71,300, or 4.2 percent.

Foreign currency reserves, upon which Israel's currency is based, remained at the same level as in 1954, despite a continued unfavorable balance of trade, the Finance Minister reported. Imports stood at \$433,000,000, while exports were at \$139,000,000. Industrial production rose by 12 percent and the productivity of workers increased by 4.5 percent. Total industrial plant increased in value by \$3,000,000, reaching a total of \$22,000,000, and 40 new industrial enterprises were founded with investments of 5,500,000 pounds and \$4,000,000 while expansion of old plants added investments of 1,500,000 pounds and \$1,000,000.

Agricultural production rose 3.5 percent last year, chiefly due to the extension of irrigation to another 130,000 dunams (42,500 acres) of land. The greatest progress in the agricultural field was chalked up in industrial crops, whose value last year was 21,000,000 pounds--an increase of 50 percent. Cotton crops this year amounted to 5,750,000 pounds in value, which saved Israel some \$2,500,000 in foreign currency. Next year Israel will probably be using only locally grown cotton.

Mr. Eshkol told the House that he expects to submit an anti-cartel law to it in the near future. He stressed that the government will strive to increase exports by encouraging industries producing for export. He pledged the government to continue its fight against inflation and the continuation of efforts to develop the natural resources of the country, as well as its industry.

HAIFA MUNICIPALITY APPROVES \$3,500,000 SUBWAY CONSTRUCTION

HAIFA, Feb. 14. (JTA) -- The Haifa municipality unanimously approved today a \$3,500,000 subway project which would link downtown Haifa with residential Mount Carmel. The contractors are the French firm of Compagnie Dunquerqueoise d'Enterprises, which has agreed to complete the job within 30 months. It is estimated that when the subway is completed travel between the business and residential areas will take eight minutes, as against the 30 minutes or more it now consumes.

AMERICAN FRIENDS OF ISRAEL MAPS ACTION; WILL ESTABLISH BRANCHES

NEW YORK, Feb. 14. (JTA) -- The American Friends of Israel announced today that its board of trustees, at a conference held during the week-end in New York, adopted "a program of action" and will establish branches in about a dozen major cities throughout the country "within the next month."

"In the first step to undertake nationwide activity to mobilize support for Israel, the American Friends of Israel broadened its national leadership," Rudolf G. Sonneborn, president of the organization, said. He revealed that Ira Guilden, former chairman of the New York Committee for Israel Bonds, was elected chairman of the board of trustees. Julian B. Venezky, of Peoria, Illinois, former chairman of the Campaign Cabinet of the United Jewish Appeal, was named chairman of the executive committee. Henry Montor, former vice-chairman of the United Jewish Appeal, and founder of the Israel Bond Organization, is secretary.

The organization also appointed Sydney Lubarr, former community relations director of the American Zionist Committee for Public Affairs, as its executive director. Mr. Sonneborn said that American Friends of Israel will not be affiliated with any other organization and will carry on a program of independent action in behalf of Israel. The nature of the action was not indicated.

NEW YORK WOMEN START U. J. A. DRIVE WITH \$1, 072, 000 IN GIFTS

NEW YORK, Feb. 14. (JTA) -- The sum of \$1, 072, 000 was contributed to the United Jewish Appeal today by New York Women who launched their 18th annual campaign for the UJA with a rally in the morning attended by more than 2, 500 at the Sheraton-Astor Hotel and with two luncheon meetings during the day.

Principal speakers at the rally were Edward M. M. Warburg, UJA president, and Semah Cecil Hyman, Israel Consul General in New York. William Rosenwald, general chairman of the UJA, was a principal speaker at one of the luncheons. Mr. Warburg emphasized the vast scope of the needs which must be met through the 1956 campaign. After describing the plight of the 500, 000 Jews in 20 countries who must be helped through the United Jewish Appeal this year, he underscored the peril of the 45, 000 North African Jews who are striving to escape to Israel this year.

"I feel that we must return as individuals and as communities to the crisis standard of giving which we reached when Israel was fighting for its existence eight short years ago," he stated. Referring to the arms which are being provided Egypt by the Communists, Mr. Warburg said: "The Egyptians have received a gift that begets death. We are not asked to give a gift in kind. We are asked by the people of Israel only to make a gift of life."

Mr. Rosenwald pointed out that this year's nationwide United Jewish Appeal campaign is really two separate campaigns. The organization seeks to raise \$105, 283, 000 to meet Jewish needs throughout the world, and it also seeks a Special Survival Fund for resettlement and rehabilitation. "The Special Survival Fund will serve two purposes," he declared. "It will help us insure the survival of the 45, 000 North African Jews who are fleeing for safety to Israel, and since it will enable us to meet the total cost of refugee care when they reach Israel, the Fund will also enable the people of Israel to concentrate all their resources and energies on their own security."

Consul General Hyman, in outlining the problems confronting the people of Israel today, emphasized that they had but one international goal -- peace with their neighbors and with all the world. "We believe that the surest guarantee of peace is a strong Israel," he said, "and we seek the right to buy arms in your country only to sustain our strength and to discourage any dreams of a cheap and easy conquest at our expense."

SEN. LEHMAN'S IMMIGRATION BILL PREFERRED TO EISENHOWER'S STAND

WASHINGTON, Feb. 14. (JTA) -- Sen. Hubert Humphrey (D. Minn.) charged today that President Eisenhower's recommendations to change the McCarran-Walter Act would not only preserve the discriminatory national origins quota system, but add to it a regional origins quota system.

The Senator urged the adoption of the immigration bill introduced by New York Senator Herbert H. Lehman which would eliminate the national origins quota system through adopting a unified quota system. Sen. Humphrey is a co-sponsor of the bill.

Sen. Humphrey said Mr. Eisenhower's message "does not contain a recommendation that would eliminate the national origins quota system." Instead, he added, the proposals would "add a new concept" to the immigration policies. "In utilizing the unused quotas which are pooled, the President proposes that this be done on a regional basis, and that quota numbers be pooled in each of the following areas: Europe, Africa, Asia, and the Pacific Ocean area. This, I suggest, adds to the national origins quota system a regional origins quota system," Sen. Humphrey said.

U.S. GOVERNMENT TO SELL \$10,000,000 WORTH OF MEAT TO ISRAEL

WASHINGTON, Feb. 14. (JTA) -- The United States and Israel signed an agreement today covering the sale of 40,000,000 pounds of U.S. beef for \$10,000,000. Secretary of Agriculture Ezra Taft Benson signed for the United States while Ambassador Abba Eban affixed his signature for Israel. The beef will be paid for in Israeli currency.

"COMMITTEE TO SAVE MIDDLE EAST FROM COMMUNISM" FORMED IN U.S.

NEW YORK, Feb. 14. (JTA) -- The formation of a new "Committee to Save the Middle East from Communism" advocating a strong United States show of force in that area was announced yesterday by Louis Bromfield, who is co-chairman of the group. Pierre van Paassen is the other co-chairman and Peter H. Bergson will act as executive vice-chairman.

The statement issued by Mr. Bromfield called the agitation over the Arab-Israel dispute a "smokescreen" for Communist penetration. It added that the real dispute was a Russian-American one and that those who urged that the matter be taken out of domestic politics were "at the very least, unwittingly aiding the Communist cause." Among the proposals of the new group's program are the granting of arms to Israel and the extension of a strong guarantee to Egypt, if Egypt is truly afraid of Israeli attack.

Mr. Bromfield also advocated a show of force by the United States, including the dispatch of an American battleship to the Haifa vicinity, as a deterrent to aggressive moves. He added that Egypt should be warned that she cannot expect aid from the United States, so long as she receives aid from Russia. Asked whether American Marines aboard the battleship should fight in the event of aggression, he replied in the affirmative. He also said he thought the suggestion that United Nations patrols should police the borders was a "good idea."

Mr. Bergson revealed that a group of Congressional sponsors for the new committee was now in formation and that the names of this group would be announced shortly. In response to a question, Mr. Bergson also revealed that he was still "technically" an Israeli citizen, but stated that he was in the process of naturalization as a citizen of the United States.

PHILADELPHIA JEWISH FEDERATION AND ALLIED JEWISH APPEAL TO MERGE

PHILADELPHIA, Feb. 14. (JTA) -- The merger of the Allied Jewish Appeal and the Federation of Jewish Charities has been approved in principle by a joint study committee of the two groups, it was learned here today. Announcement of the approval was made by Myer Feinstein and Bernard L. Frankel, AJA and Federation presidents, respectively.

The presidents of the two groups have notified the boards of both organizations of the reactivation of the joint committee, under the chairmanship of Leon C. Sunstein. The resolution approved by the group studying the merger possibility, urged the presidents of the two agencies "to take such steps as they, in their discretion, may deem feasible in order to bring about a merger."

JEWISH CONGREGATION IN CONNECTICUT TO HOLD SERVICES IN CHURCH

NEWINGTON, Conn., Feb. 14. (JTA) -- The cooperation of the Congregationalist Newington Church of Christ here has made it possible for a newly-formed Reform Congregation here to begin holding services. Jerome A. Scoler, president of the new Temple Sinai, announced that Rev. Harold C. Burden had offered the use of the church's facilities to the congregation.

The Temple will hold its services on alternate Friday nights in the church sanctuary. A portable ark has been constructed by members of the new temple, and a Torah has been loaned to them by Temple Beth Israel of West Hartford, Conn.

B'NAI B'RITH YOUTH TO HOLD SEVEN-WEEK INSTITUTE IN ISRAEL

WASHINGTON, Feb. 14. (JTA) -- Plans for a 1956 Summer Institute in Israel sponsored by the B'nai B'rith Youth Organization were announced here today by Label A. Katz, of New Orleans, chairman of the B'nai B'rith Youth Commission. The Institute, first of its kind to be sponsored by BBYO, is being undertaken in cooperation with the Youth Department of the Jewish Agency.

BBYO members will travel as a unit to and from the Middle East. They will spend a total of seven weeks in Israel in July and August, attending seminars, study groups, visiting historical points of interest, and hearing lectures by top-ranking Israeli government officials.

A highlight of the Institute will be a two-week period during which BBYO members will live in a Kibbutz, participating as regular members of one of Israel's collective settlements. A member of BBYO's trained staff of group workers will accompany the BBYO contingent during the entire period. The group will be joined in Israel by members of the Jewish Agency's Youth Department who will conduct them on a series of guided tours.