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EISENHOWER APPEALS FOR MEDIATION OF ARAB-ISRAEL CRISIS TO AVOID WAR

WASHINGTON, March 21 (JTA) -- A request by the United States for United Nations action to avoid an Israel-Arab war will postpone a final decision on Israel's arms application, government sources predicted today as President Eisenhower gave new emphasis to the importance he attaches to United Nations action on the Arab-Israel crisis.

Government sources said President Eisenhower feels that arms sales to Israel at this time might exacerbate the dangerous situation at a juncture when he thinks the United Nations might make some progress in lessening tension. Mr. Eisenhower, however, said nothing on the Israel arms issue at his press conference today.

The President appealed, however, for mediation of the Arab-Israel crisis to avoid war. He warned that any major outbreak of hostilities in the Middle East would be a catastrophe for the whole world. He stressed the importance of Arab oil to the West. The major American effort, he said, is to find some way to help the Arab states and Israel see that their interests lie in mediation. He said the United States must regard every bit of unrest in the Middle East as a most serious thing.

The United States, said President Eisenhower, is committed to using peaceful means to bring about implementation of its policy. In this aim, he pointed out, this country is supporting United Nations efforts and has expressed itself through the Tripartite Declaration of 1950. In mentioning the Arab oil factor, the President pointed out the importance of avoiding war for strategic material reasons apart from other considerations.

Mr. Eisenhower expressed doubt that "prejudices" could be eliminated in the Middle East. He said that the United States nevertheless would never give up trying to use every peaceful influence it could to avert war. Asked if a new United Nations action plan suggested by the United States included the return to the Middle East of United Nations Secretary General Dag Hammarskjöld, the President said the American plan would be published at the proper time.

Comparing the French-North African situation with Arab-Israel difficulties, the President said the United States was trying in each instance to help. He said both sides in each conflict must realize that their true interest could be found in compromise and trade rather than war. The President evaded a question which sought to elicit his thinking on seeking Congressional backing for military intervention in the Middle East similar to the Formosa resolution. He said bi-partisan consultations have been held on the whole question of U.S. policy in the Middle East but did not indicate that such consultation pertained to possible U.S. armed intervention.

Eban Discusses Middle East Developments with State Department.

Israel Ambassador Abba Eban today met with George V. Allen, Assistant Secretary of State for Near Eastern Affairs, in what appeared to be a preparatory step to a meeting between Mr. Eban and Secretary of State Dulles who returns today from abroad. The coming Eban-Dulles talk is expected by some to be the "showdown" session on the Israel arms application.

Today Ambassador Eban said he reviewed developments in the Middle East. Most of the important problems in Israel-American relations were covered, Mr. Eban said, indicating that the arms issue was included among these topics. Mr. Eban said Israel had been notified of a United States plan for UN peace action in the Middle East. He made no comment on the plan.

U.S. willingness to help solve the Arab-Israel crisis by supporting regional projects to harness the energy of the Jordan River or facilitate the resettlement of the Arab refugees was reiterated today by John B. Hollister, director of the International Cooperation Administration, before the House Foreign Affairs Committee. He outlined the factors which motivated President Eisenhower's special \$100,000,000 fund for the Middle East and Africa.

Mr. Hollister said more flexible action on the economic front is needed because of the increased Soviet activity in the Middle East, sudden economic crisis, and aid programs which deal with two or more countries where "sensitive political issues" are involved. In the latter case, he said, a capacity for flexibility is needed because "the exact timing and character of the eventual solutions to these problems cannot be accurately forecast, nor the precise manner in which our aid can contribute."

ISRAEL GOVERNMENT ASKS U. S. EXPORT-IMPORT BANK FOR \$75,000,000 LOAN

JERUSALEM, March 21. (JTA) -- Israel has asked the United States Export-Import Bank for a \$75,000,000 loan repayable over 25 years to help finance a four-year agricultural development program, it was reported here today.

The program, details of which will be supplied to the bank in the next few weeks, calls for increasing Israel's agricultural output by 60 percent over 1955 through the greater use of agricultural machinery and the further exploitation of Israel's water resources other than the Jordan River.

The loan would be used chiefly to purchase agricultural machinery and would constitute about one-third of the total cost of the four-year plan. The plan visualizes a net improvement of \$40,000,000 annually in Israel's balance of payment.

The bank previously loaned Israel \$135,000,000, of which \$70,000,000 was for agricultural purposes. In 14 semi-annual payments, Israel has already repaid the bank some \$35,800,000, of which about \$21,000,000 was interest and \$15,000,000 on account of principal.

Meanwhile, it was learned that Israeli engineers have initiated a comprehensive study of Israel's underground water resources, particularly in the coastal area. It is understood that they plan to sink 100 new wells, in a project assisted by the United States Operations Mission in Israel.

HISTADRUT CONVENTION BACKS GOVERNMENT STAND ON ARAB-ISRAEL PEACE

TEL AVIV, March 21. (JTA) -- Resolutions calling for Israel-Arab peace negotiations, urging all-out efforts to arm the Jewish State in the face of aggressive threats, and pledging the full resources of the organized labor movement to support Israel's preparedness drive, were adopted here last night at the eighth national convention of the Histadrut, Israel's general federation of labor.

Israel is ready for direct peace negotiations, the 800 delegates to the convention said, but it will not agree to compromises which would infringe upon Israel's territorial integrity or its sovereignty. The convention called on the government to "break through" the wall of embargoes and obtain the arms it needs to protect the security of the country, and urged the peace and freedom-loving peoples of the world to give Israel every assistance in obtaining defensive weapons.

The Histadrut will place its entire organization and membership at the disposal of the government for security purposes, to increase "essential" production, to settle the southern Negev, Galilee and the border areas, to turn every settlement into a fortress and to bring women into defense activities, the convention resolved. It asked the government to institute a "defense tax" to finance security needs and called on Israeli youth to "conquer the desert" and take an active part in meeting security needs.

The convention promised to put Histadrut-controlled industry behind the government's fight to hold the price line. It suggested that organized workers participate with management in the operation of industry so as to strengthen their feelings of responsibility toward industry.

Finally, the convention issued a call for an increase in immigration to Israel from abroad, especially from North Africa. A special appeal was directed at the Jewish youth of the world, who were asked to come to Israel to help defend and build the country. Jewish scientists throughout the world were asked to contribute to the strengthening of the Jewish State.

BRITISH GOVT. IS URGED TO PROVIDE ISRAEL WITH DEFENSIVE WEAPONS

LONDON, March 21. (JTA) -- A demand that the British Government make defensive arms available to Israel as a means of insuring peace in the Middle East was voiced in a resolution adopted here last night at a mass rally of London Jews. The rally opened "Demand Arms for Israel" Week, sponsored by the Zionist Federation of Britain.

Dr. Nahum Goldmann, chairman of the Jewish Agency, who addressed the rally, expressed exasperation with diplomats who understood that until there was general disarmament, peace could only be maintained by a certain balance of strength, but who forgot "these simple truths" in relation to the Israel-Arab situation. He expressed confidence that once the Arabs realized that the world at large would not permit them to destroy Israel they would move toward normalization of relations with Israel.

He appealed to the friends of Israel to realize that the "new chapter" in Israel's history that was unfolding -- the stage of seeking Israel's integration into the Middle East -- would require efforts as intense as those which were needed to bring forth the State of Israel.

U.S. SUBMITS RESOLUTION TO SECURITY COUNCIL ON ARAB-ISRAEL CRISIS

UNITED NATIONS, N. Y., March 21. (JTA) -- The United States submitted to the Security Council today the draft of a resolution intended to help ease the tensions along the Israel-Arab borders through the following actions:

1. Putting upon Secretary General Dag Hammarskjold the responsibility for making an "urgent" survey of the manner in which the four Arab signatories to the armistice agreements and Israel are complying with those facts. Mr. Hammarskjold, under this resolution, would be requested to report back to the Council within one month.

2. Both Israel and the Arab governments will be asked to: withdraw their forces from the armistice demarcation lines; give "full freedom of movement" to UN observers along demarcation lines, in the demilitarized zones, and in the "defensive areas;" help establish "local arrangements for the prevention of incidents and the prompt detection of any violations of the armistice agreements."

The resolution as it stands now has the formal backing of the United States only, and is the first measure of this kind presented by Washington without the open co-sponsorship of Britain and France since the issuance of the Tripartite Declaration in May, 1950.

The resolution, however, according to U. S. sources, had been discussed at length with the two allies, Britain and France, as well as with Mr. Hammarskjold. These sources declared that they hope for unanimous adoption of the resolution by the Council, indicating that thus far they had not been apprised of opposition by the Soviet Union.

There are a number of points in the resolution that gave observers here the feeling that the proposed measure may point to some new way of handling the Israel-Arab situation. For one thing, it seems to shift major responsibility for peace in the area from Maj. Gen. E. L. M. Burns, UN truce chief, to the shoulders of Mr. Hammarskjold himself.

The draft speaks of freedom of movement for UN observers in "defensive areas" which would give the observers the opportunity to check on reports that troops are being massed in the area from Maj. Gen. E. L. M. Burns, UN truce chief, to the shoulders of Mr. Hammarskjold himself.

The draft speaks of freedom of movement for UN observers in "defensive areas" which would give the observers the opportunity to check on reports that troops are being massed in the region. The draft resolution also speaks of giving the UN observers a possible role in detection of violations, giving some diplomats here the idea that UN observers might be ordered to try to detect possible aggressions before they start.

BEN GURION, SHARETT OUTLINE ISRAEL'S PEACE AIMS TO U.S. EDITORS

TEL AVIV, March 21. (JTA) - Israel is ready to enter into peace negotiations with the Arab states without setting any prior conditions, Premier David Ben-Gurion said today in an impromptu press conference with a party of 42 American editors and radio and television news commentators. The Americans, who arrived here today on a two-day flying visit, entered from Jordan by way of the Mandelbaum Gate in Jerusalem, and first conferred with Foreign Minister Moshe Sharett before coming to Tel Aviv this evening.

While the newsmen bombarded Mr. Ben-Gurion with questions, he emphasized that war could be averted if the United States would grant Israel adequate quantities of defensive arms to offset the Soviet-MIG fighters and Ilyushin bombers which the Egyptians have obtained. He said that he could not believe that the U.S. would remain adamant in its refusal to sell Israel arms, since the security of the entire world had been endangered by Egypt's deal with the Soviet bloc, not just Israel's peace.

Mr. Sharett, who also answered questions posed by the American newsmen, said that Israel would resist a "new Munich" which might be offered her under threat of the Arab build-up. There could be no greater fallacy than such a belief, he continued. The people of Israel will not submit to such pressure, he said. "We know what is at stake and we shall fight as a united people to thwart the Arab design to destroy us."

He made the same point as Mr. Ben-Gurion, that the best way to preserve peace is to give Israel sufficient defensive weapons to convince the Arabs that any military adventure would be risky. He said that despite the fact that Israel was not responsible for the Arab refugees fleeing Palestine, Israel was willing to compensate them for the lands they abandoned.

DELEGATION SEEKS STATE DEPT. ACTION ON ARAB ANTI-JEWISH PROPAGANDA

WASHINGTON, March 21. (JTA) - The campaign against American Jewry and the Zionist movement which Arab diplomats in this country are conducting was brought to the attention of the State Department today by a delegation of American Zionist leaders, which was received by Robert Murphy, Deputy Under-Secretary of State. The delegation consisted of Rabbi Irving Miller, Rabbi Philip S. Bernstein, Mrs. Samuel Halprin, and Dr. Herman Seidel, respectively, leaders of the American Zionist Council, American Zionist Committee for Public Affairs, Hadassah and Labor Zionist Organization.

JEWISH CLAIMS CONFERENCE HEAD IN GERMANY LEAVES POST; RETURNS TO U.S.

FRANKFURT, March 21. (JTA) -- Benjamin B. Ferencz, a member of the New York bar who was in charge of German operations for the largest international Jewish organizations concerned with reparations, restitution and indemnification, returned to the United States this week after more than ten years of service overseas.

He served as director-general of the Jewish Restitution Successor Organizations, supervising the recovery of all heirless Jewish property in the United States Zone in West Berlin. The proceeds derived from this property are made available mainly to the Jewish Agency and the Joint Distribution Committee. The new head of the JRSO is Dr. Ernst Katzenstein, a JRSO staff member of long standing who was a German jurist and is now an Israeli citizen.

Mr. Ferencz has also been director for Germany of the Conference on Jewish Material Claims ever since the position was established in 1953. His successor is Dr. Herbert S. Schoenfeldt, an American citizen and former Berlin lawyer who previously represented the Claims Conference in Bonn. Mr. Ferencz was director of operations of the United Restitution Organization, which assists in securing indemnification payments for Jewish victims of Nazism unable to retain private counsel, for the past two years. He will be succeeded by Dr. Kurt May, a German-born Israeli attorney.

ISRAELI PASSENGER-SHIP TO ARRIVE IN NEW YORK TOMORROW ON MAIDEN TRIP

NEW YORK, March 21. (JTA) -- The S.S. Zion, newest passenger liner on the North Atlantic, will arrive in New York on her maiden voyage this Friday, it was announced today by the American-Israeli Shipping Company, United States representatives of the Zim Israel American Line of Haifa, owners of the vessel.

The 10,500-ton liner, which sailed from Haifa on March 9th, will be the first new passenger vessel to come to New York in 1956. She and her five-month old sistership, the S.S. Israel, provide the only direct passenger service between the United States and Israel with sailings every three weeks throughout the year. The twin steamers call at Naples in both directions and occasionally at Halifax, westbound.

The Zion, delivered to the Zim Lines by her builders late last month, accommodates 300 passengers in first and tourist classes, all in outside staterooms, most of them with adjoining private or semi-private baths or showers. She is one of the first trans-Atlantic liners to be fitted with the new Denny-Brown stabilizing fins which reduce rolling to a minimum in the heaviest seas.

DR. SILVER LEAVES FOR ISRAEL TO ATTEND DEDICATION OF "KFAR SILVER"

NEW YORK, March 21. (JTA) -- Dr. Abba Hillel Silver of Cleveland, chairman of the board of governors of the Israel Bond Organization flew today to Israel to attend the dedication ceremonies of Kfar Silver, agricultural training institute named for him, scheduled for March 29. The institute, which is located near Ashkelon, bordering on the Negev, was established jointly by the Zionist Organization of America and the Israel General Zionist Organization.

With an initial enrollment of 80 pupils, Kfar Silver will eventually accommodate some 300 boys and girls ranging in age from 14 to 17, who will undergo training in the type of farming that is best suited for their respective qualifications and needs.

DR. MORDECAI KAPLAN RECEIVES AWARD FOR HIS CONTRIBUTION TO ZIONISM

NEW YORK, March 21. (JTA) -- "The purpose of the Zionist movement should be to reconstitute world Jewry as a spiritual people," according to Professor Mordecai M. Kaplan, Professor of Philosophies of Religion at the Jewish Theological Seminary of America. Prof. Kaplan spoke at a luncheon marking the end of the 1955-56 Seminary-Israel Institute held here.

Dr. Kaplan received this year's Seminary-Israel Institute award, for "his singular contribution to the development of Zionism as an effective intellectual and spiritual movement, his indefatigable labors in the enterprise of building the State of Israel, and his ceaseless efforts to bring about better understanding everywhere of the role of the new State in history." The Seminary-Israel Institute is an annual lecture program undertaken jointly by the Jewish Theological Seminary and the Jewish Agency.

WEIZMANN INSTITUTE GETS FIRST U.S. ISOTOPE LAMP IN MIDDLE EAST

TEL AVIV, March 21. (JTA) -- The United States National Bureau of Standards has lent the Weizmann Institute of Science at Rehovoth a mercury isotope lamp which emits extremely sharp spectral lines and which the Institute will use as a standard in designing an infrared spectrometer, it was announced here yesterday. The lamp will be the first such in the Middle East.

WORLD FEDERATION FOR PROMOTION OF HEBREW OPENS BRANCH IN MEXICO

MEXICO CITY, March 21. (JTA) -- A Mexican branch of the world Hebrew federation, "Brit Ivrit Olamit," has been founded here, with the participation of various Zionist groups as well as local Hebraists. The group was founded by the Federation's representative, Dr. Alexander Rosenfeld, who arrived in Mexico from Israel.