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## ANTI-JEWISH RIOT REPORTED IN HUNGARIAN REFUGEE CAMP IN AUSTRIA

VIENNA, Jan. 14. (JTA) -- More than 1,000 Hungarian refugees were reported here today to have staged an anti-Jewish riot Saturday at the Siezenheim refugee processing center. Several persons were reported brutally beaten and injured. The riot was started by non-Jewish refugees incited by propaganda that Jews were getting preference in obtaining entry to the United States, which is not the case.

A report from Salzburg said that the authorities in Austria have lowered a curtain of silence across the anti-Jewish demonstration. However, an extra guard of Austrian gendarmes was thrown around the camp to keep journalists and photographers out. Police and camp spokesmen declined all comment and claimed that they had no knowledge of any demonstration against Jewish refugees from Hungary.

It is taken for granted by Jewish relief agencies here that most of the 12,000 Jewish refugees from Hungary who are still in Austria will have to proceed to Israel, although many of them would like to emigrate to other countries. Only a very small minority of these refugees will be able to go to the United States and Canada. More than 16,000 Jews fled Hungary since the revolt there in October.

## DULLES ADVISES CONGRESS AGAINST ACTING NOW ON ARAB-ISRAEL ISSUES

WASHINGTON, Jan. 14. (JTA) -- Secretary of State John Foster Dulles said today the Congressional action on a policy to attack the basic problems of the Arab-Israel conflict would be premature at this time.

Testifying before a joint session of the Foreign Relations and Armed Services Committees of the Senate, Mr. Dulles said that the problems arising out of the unfriendly Arab-Israel relations are receiving urgent consideration, "but they do not seem to require legislative action at this time." The Secretary of State testified before the joint Senate session on President Eisenhower's request for stand-by authority to use U.S. forces against Communist aggression in the Middle East.

Mr. Dulles assured the Senate committees that the President's proposal to supply arms to the area can be achieved without an arms race between the Arab States and Israel. He said the U.S. remains opposed to an arms race as declared by the Tripartite Declaration of May 25, 1950.

Mr. Dulles stated that the United Nations has now assumed primary responsibility for solving the Suez Canal and the Arab-Israel problem. He said the UN Secretary General is seeking an early resumption of talks about the future status of the canal, in accordance with the six principles adopted by the Security Council last October and agreed to by Egypt. He said the Secretary General is also "well aware of the problems of transit through the Gulf of Akaba and the status of the Gaza Strip."

Sec. Dulles told the committees that the U.S. program to meet the basic problems of Arab-Israel relations, as outlined by himself in an address on August 26, 1955, has not yet "become practical of accomplishment." The program dealt with the establishment of permanent boundaries, the settlement of refugees, and the undertaking of major water and irrigation developments. Mr. Dulles said that when such a program is possible, it would require Senate treaty action and Congressional appropriations. "But," he added, "unhappily the time for that is not yet here."

In calling for quick Congressional approval of the President's new Middle East plan, Secretary Dulles noted the increasing Soviet subversive activities in the Middle East. He said "Communist propaganda is vigorously at work. Its Arab language radio bombards the area. The output has recently gone up by 50 percent. Communist sentiments find their way into the Arab press and radio of certain countries. The Soviet Union is portrayed as the 'savior' of the area as against Western imperialism and as against Israel's alleged expansionist ambitions."

Under questioning, Secretary Dulles also went on record as saying that the Eisenhower plan currently envisages no substantial grant of economic aid to Egypt.

# SECRECY VEILS DECISION OF ISRAEL CABINET ON STRAIT OF TIRAN

JERUSALEM, Jan. 14. (JTA) -- After a five-hour Cabinet meeting discussing the question of the withdrawal of Israel forces from the Strait of Tiran in the light of the absence of any effective guarantees of freedom of navigation, the Israel Government issued last night a single-sentence, noncommittal communique. It declared: "Political questions were discussed."

In view of the published decisions of caucuses of the major partners in the government coalition--Mapai, Achdut Avodah, Mapam--expressing opposition to withdrawal without guarantees, few observers here doubt the nature of the cabinet's decision. Speculation has it, however, that actually the Cabinet left to the Premier, Foreign Minister and Israel delegation at the United Nations a certain scope of flexibility in the implementation of the Cabinet's decision.

As proof of her intention to comply with the General Assembly resolution demanding withdrawal from Egyptian territory, Israel will inform Secretary General Dag Hammarskjöld today of further withdrawal in northern Sinai.

Political circles in Jerusalem, meanwhile, pointed out an absence of differences in principle between the UN and Israel over evacuation of the Strait of Tiran. Israel announced on November 8, its readiness to comply with the Assembly's withdrawal resolution, while freedom of navigation is an international principle recognized by the UN. Thus the actual issue between Israel and the UN is a question of how to effectively combine withdrawal with effective insurance of freedom of navigation.

It is understood that Israel has already asked the UN to urgently study what physical guarantees are necessary for that purpose. Israel has also brought to the attention of the United States that since the dismantling of Egyptian coastal guns, freedom of navigation exists in the Strait of Tiran and that, therefore, any attempt by Egypt to reinstitute a blockade would constitute a war-like act by Egypt and would almost certainly elicit an appropriate response.

The exchange of some 5,000 Egyptian soldiers taken prisoner during Israel's one-week campaign in the Sinai Peninsula is scheduled to take place this week for the four Israelis captured by the Egyptian forces. The exchange will be conducted under Red Cross auspices, probably in El Arish, after Israel evacuates the town. The offer was originally made by Israel in November, but President Nasser hesitated to make the exchange because it will be proof of the falsity of his claims to the Egyptian people that Egypt did not lose the Sinai campaign.

Israel forces have completed their arrangements to pull out of El Arish. UN Emergency Force contingents, headed by Maj. Gen. E.L.M. Burns, will take over at noon tomorrow. Yesterday, Arab notables in El Arish were guests of the Israel Army in a tour of Israeli cities and colonies. Later, the Arabs tendered a reception to Lt. Col. Kharsina Aharon, the Israeli military governor of El Arish, as an expression of their gratitude for the manner in which Israeli forces behaved in the city during the 80-day occupation.

## ISRAEL'S 1957 BUDGET OF 850,000,000 POUNDS PRESENTED TO PARLIAMENT

JERUSALEM, Jan. 14. (JTA) -- Israel's 1957 budget, totalling 850,000,000 pounds, was presented to Parliament today by Finance Minister Levi Eshkol. In a two-hour address which accompanied presentation of the document, Mr. Eshkol reviewed Israel's economic development in 1956 and the government's economic plan for 1957.

Mr. Eshkol disclosed that an increase in defense expenditures last year had necessitated a slowdown in development spending. While agricultural production had increased considerably last year, he said, industrial development had made less progress. Renewed mass immigration had also strained the national economy, he noted.

"Special activities aimed at raising additional funds from world Jewry for new immigrants' absorption succeeded only partially," the Finance Minister reported. In the coming year, he continued, "the Jewish people will again be called to mobilize hundreds of millions of dollars to enable the return of exiles from Africa and the remnants of European Jewry, giving them new roots in their homeland."

## U.N. LEADERS FAVOR ESTABLISHMENT OF BUFFER BETWEEN ISRAEL, EGYPT

UNITED NATIONS, N.Y., Jan. 14. (JTA) -- The topmost leadership of the General Assembly here is interested in preventing the status quo ante from being established again along the Israel-Arab borders. This was stated today by one of the highest authorities in the Assembly.

Plans contemplated now include these steps: 1. Israel is to complete its troop withdrawals from Egyptian territory by Feb. 15; 2. The United Nations Emergency Force is to establish itself as a buffer between Israel and Egypt; 3. The General Assembly, instead of adjourning sine die by the end of this month, is to take a recess until about the middle of May; 4. By that time the Assembly is to reconvene, and tackle substantive measures for genuine peace in the Middle East.

## ISRAEL BEHAVIOR IN GAZA STRIP LAUDED IN REPORT TO U. N. ASSEMBLY

UNITED NATIONS, N. Y., Jan. 14. (JTA) -- "The Israel authorities have methodically established a program to stabilize life" in the Gaza Strip, have restored municipal government and civilian economic activities like banking, merchandising and fishing and are allowing the United Nations relief staff "complete freedom throughout the area" to feed and care for approximately 213,000 Arab refugees in the area.

These are among facts submitted to the General Assembly here today by Secretary General Dag Hammarskjold through a detailed report he had received from his personal observer in the Gaza Strip, Lt. Col. K. R. Nelson, an American member of the headquarters staff of the United Nations Emergency Force. The report, submitted Dec. 3, was withheld by the Secretary General until today, so that it could be issued simultaneously with a second document, by Henry R. Labouisse, director of the United Nations Relief and Works Agency for Arab Refugees from Palestine.

In his report, based on observations during the heat of the fighting between Israel's army and the Egyptians, Mr. Labouisse tells of heavy looting of UNRWA supplies by Arab refugees, of riots and other disturbances, and of disciplinary measures taken by the Israel Army. The Labouisse report, like the one by Col. Nelson, was also placed before the General Assembly.

Egyptian reports that the Israelis in any way persecuted the Arab population in the Gaza area are totally discredited by the Nelson report. Col. Nelson reports that there have been migrations of Arabs from Gaza to Jordan, despite Israeli orders forbidding such migration. The Arabs going to Jordan were taken "by paid guides." On the other hand, states Col. Nelson, "there was no evidence of mass deportation of the inhabitants."

### U. N. Officers Unhindered by Israel in Their Study in Gaza Area

Col. Nelson and another UNEF officer, Capt. G. G. Svedlund, who speaks Arabic, were given by the Israeli Army "full freedom to go wherever we chose." They spoke to mayors, mukhtars, and to anyone else they wanted to interview. They did not tell the Israelis in advance where they were going, reported Col. Nelson, "and frequently deviated from our immediate advised route to observe conditions or to speak to individuals." This method in itself, according to Col. Nelson, "gave the Israel authorities no opportunity to stage conditions or 'orient' individuals."

The Israel authorities "are progressively executing" their program to stabilize the Gaza area, declared Col. Nelson, and "have established law and order and have dealt with any uprisings or lootings in a strong manner." The officer expressed his belief that Israel's very firmness has been recognized by the Arab population as salutary and that the population has "therefore remained calm."

The Nelson report shows that: Israel is allowing Arabs to fish again, has made available basic foods at subsidized prices, is buying the citrus output of Arab growers, Israeli civil police and local police work in mixed patrols together. There were still security problems for Israel and the Israelis were searching for: hidden weapons and munitions, Egyptian soldiers disguised in civilian clothing, fedayeen commandos, and civilian criminal prisoners whom the Egyptians released while the military fighting was under way. All public services, utilities, schools and hospitalization have been resumed.

On the other hand, Mr. Labouisse, who has been notoriously critical of all Israel activities, emphasizes the negative aspects of the Gaza situation. Mr. Labouisse and his staff visited the area during the tense days of fighting. But even then, the report shows, the Israel authorities extended him fullest cooperation. Col. Nelson came a little later, when the military action had resulted in victory for Israel.

Mr. Labouisse tells of lootings, riotings, robberies and other outrages by the refugees. But he contends that 275 were killed during resistance by Arabs at Khan Yunis, and 111 in the largest refugee camp, at Rafah. He also voices severe criticism against both Egypt and Syria. Careful reading of his report shows that Egypt has been responsible for cutting down the UNRWA relief forces even before the Israel military action. He reports also that Syria arrested two ranking UNRWA relief workers, released them after a protest, but ordered them out of the country. He threatens to cut off all refugee relief in Syria unless the government mends its attitude.

## ISRAEL OFFERS COMPENSATION FOR MACHINERY MISSING FROM SINAI OIL WELLS

JERUSALEM, Jan. 14. (JTA) -- The Israel Government offered this week-end to pay full compensation for any machinery or equipment missing from Italian-operated oil wells in the Sinai Peninsula.

Commenting on remarks by Maj. Gen. E. L. M. Burns, commander of the United Nations Emergency Force, that his troops had found the wells in good condition but some equipment missing, an Israel Foreign Ministry spokesman said that Israel would pay the full market value for anything taken from the oilfield during the Israeli occupation. He added that if Israeli technicians had not seized the wells irreparable damage would have resulted.

100,000 JEWS MAY BECOME REFUGEES THIS YEAR, U. J. A. LEADER WARNS

NEW YORK, Jan. 14. (JTA) -- "The greatest Jewish refugee crisis in a decade is now in the making," Rabbi Herbert A. Friedman, executive vice chairman of the United Jewish Appeal, declared at a press conference here today following his return from a ten-day survey of emergency aid efforts in Western Europe for thousands of Jewish refugees from Hungary and Egypt being carried out by the Joint Distribution Committee and the Jewish Agency.

"This year," he warned, "may see more than 100,000 Jews in flight from Nasserism in Egypt, Communism in Hungary and dangers in other lands. A cold pogrom is taking place in Egypt. Nasser is subjecting a helpless minority to every oppression to which Jews were subjected by Hitler short of death camps.

"That Nasser means to drive out most of Egypt's Jews is also deducible," Rabbi Friedman added, "from the fact that he has denied the 45,000 who remain any chance to earn their own living. Professionals can't practice, businessmen have no business, artisans have no clientele. If these people don't get out, they will begin to starve."

Together with Moses A. Leavitt, executive vice-chairman of the Joint Distribution Committee, Rabbi Friedman met the Egyptian liner *Misir* which landed 976 terrorized, expelled and almost penniless Jews at Naples, Italy last week. Rabbi Friedman and Mr. Leavitt also visited the Austria-Hungarian border a few days later to talk with some of the 16,500 Jews who are part of the 165,000 escapees of all faiths who have fled the Communist regime in Hungary.

HISTADRUT TO ESTABLISH HUGE FUNDS TO HELP NEW IMMIGRANTS IN ISRAEL

TEL AVIV, Jan. 14. (JTA) -- The Histadrut, Israel's federation of labor, will shortly establish two 1,000,000-pound funds to assist new immigrants and encourage artisans to open workshops in development areas and new towns, Pinchas Lavon, secretary general of the organization, announced here today.

He revealed that the organization, which draws most of its membership from the non-religious Socialist and left parties, will set up a 100,000-pound fund to be used to construct synagogues and other religious edifices in religious centers.

Mr. Lavon's announcement was made in the form of a report to the Histadrut executive, which also was informed that the turnover of all Histadrut enterprises last year reached a total of 1,600,000,000 pounds. This sum included payments made into the nationwide medical network, various cooperative enterprises and mutual assistance funds. All funds raised abroad by special Histadrut campaigns, it was stated, has been used for medical and cultural facilities for immigrants, rather than for organizational work.

HADASSAH DISCUSSES U. S. - ISRAEL EXCHANGE PROGRAM IN PSYCHIATRY

NEW YORK, Jan. 14. (JTA) -- An American-Israel exchange program in psychiatry designed to benefit the entire Middle East was proposed today by Dr. James Mann, director of psychiatry and research of Boston State Hospital, to the midwinter conference of Hadassah, the Women's Zionist Organization of America.

Dr. Mann urged creation of special fellowships in psychiatry providing for advanced training for Israeli psychiatrists in the United States and the sending of American psychiatrists for special studies and teaching in Israel. He also proposed establishment of an American-Israel Psychiatric Commission for the interchange of psychiatric information and scientific research as a first step toward improving the mental health not only of Israelis but of all Middle East peoples once peace and security are restored to this region.

Mrs. Abraham Tulin, national chairman of the Hadassah Medical Organization Committee in the United States, lauded Dr. Mann's proposals and stated that fellowships in psychiatry will be given to Israeli doctors by Hadassah. She stated that more than \$650,000 has already been spent in the past 15 years on fellowships--mostly in the United States--for Israeli doctors.

LESSING ROSENWALD TELLS ISRAELIS HE IS ANTI-ZIONIST, NOT ANTI-ISRAEL

JERUSALEM, Jan. 14. (JTA) -- Lessing J. Rosenwald, former president of the anti-Zionist American Council for Judaism, and his wife, who are here as guests of the government, were received by Prof. Benjamin Mazar, president of the Hebrew University here, and shown around the campus. Later, the Rosenwalds left on a tour of Tel Aviv and Haifa and the countryside between.

Explaining his presence in Israel to newsmen, Mr. Rosenwald said that he came to the Jewish State on an invitation extended by Ambassador Abba Eban on behalf of Premier David Ben Gurion. He saw the Premier last night. Mr. Rosenwald added that he came to hear, see and study the situation. He disclaimed being anti-Israel, insisting that he was only opposed to political Zionism.