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EISENHOWER TO DISCUSS SANCTIONS WITH CONGRESSIONAL LEADERS TODAY

WASHINGTON, Feb. 19. (JTA) -- Secretary of State Dulles made known to a press conference today that the question of sanctions against Israel will be considered tomorrow when President Eisenhower meets with Congressional leaders. He said that the United States would go to the United Nations with a program to meet Israel's refusal to withdraw from Egyptian territory. But, he added, perhaps the United States would study proposals of other countries.

Mr. Dulles was asked pointblank if the United States would support sanctions if Israel stands firm. He said it was a matter to be discussed tomorrow and he would not want to anticipate the exchange of views between Mr. Eisenhower and Congressional leaders.

Commenting on whether Congressional opinion could affect Administration executive action, he said it would depend on the kind of sanctions to be imposed. He said some would require Congressional approval while others would not. There were economic sanctions, military sanctions, and other kinds but he was not in a position to be specific on the issue at this time, he said.

Secretary Dulles said he did not expect American ships to be barred by Egypt from passage through the Strait of Tiran. He made clear that the United States Navy could not guarantee protection to ships flying the Israel flag. He did not anticipate such a contingency as using American armed forces to guarantee free maritime passage. He thought it "improbable" that Egypt would restore a blockade against Israel shipping in the strait.

He said he was not without hope Israel would come to the conclusion to withdraw and rely on previous assurances. It was revealed by the Secretary that the United States has not negotiated with Egypt on the question of Akaba passage. The matter is being handled by UN Secretary General Dag Hammarskjold, Mr. Dulles said. He added that there was no reason to believe Egypt would not honor principles calling for free passage of all ships, including those of Israel, through the Suez Canal when it is re-opened.

U. S. Has No Assurances from Egypt on Free Navigation

Mr. Dulles made known the United States had no new assurances from Egypt that the straits would be regarded as an international waterway. He cited a communication of January 28, 1950, from Egypt to the United States on the subject. Subsequently, he said there occurred reassertion of certain belligerent rights. He was hopeful there would be a cessation of belligerency and that there was an increasing recognition by the International community of a need for this.

Secretary Dulles doubted Egypt would search American ships for "contraband" unless Egypt was suspicious of the cargoes. He said he could not give the precise meaning of the phrase "innocent passage" in the February 11 U.S. aide memoire to Israel. He stressed that the phrase was first used by Egypt in its 1950 communication and that he could not give all the implications. Authorities might differ on the precise meaning, he said.

The secretary of State said the entrance to the Gulf of Akaba was technically Egyptian territorial waters and not an international waterway because it was less than six miles wide. But passage cannot be properly restricted, he said, provided such passage is "innocent passage" as defined by international law. Generally, the right of access to such straits under law cannot be denied to any littoral state involved.

Eisenhower Confers with Dulles and Lodge on Israel

WASHINGTON, Feb. 19. (JTA) -- President Eisenhower, upon his return here today, held a conference at the White House with Secretary of State John Foster Dulles and Ambassador Henry Cabot Lodge, Jr., the head of the American delegation at the United Nations. They were considering moves at the UN with regard to Israel and the forthcoming meeting tomorrow morning with Congressional leaders.

ISRAEL FIRM ON REQUEST FOR SECURITY GUARANTEES, BEN GURION SAYS

JERUSALEM, Feb. 19. (JTA) -- Premier David Ben Gurion today made it clear that while the Israel Government hopes to continue its talks with the United States on proposals for settlement of the Akaba-Gaza issue, in the hope that a solution will be found acceptable to all the countries involved, the Cabinet remains firm in its demand for acceptable guarantees against Egyptian blockade and aggression before withdrawing Israeli troops from the Gaza and Akaba areas.

Mr. Ben Gurion expressed this view in the course of consultations which he held during the day with leaders of all the opposition parties except the Communist Party. The opposition leaders are reported to have promised their fullest support of the position outlined by the Premier.

The Israel Cabinet will tomorrow hold its second extraordinary meeting of the week to consider United States reaction to the proposals presented to Ambassador Edward B. Lawson yesterday by Prime Minister David Ben Gurion.

Observers believe there is no conflict between the "new approach" offered by Mr. Ben Gurion and proposals by Canada's Lester B. Pearson, that a United Nations investigation committee visit both the Gaza and Akaba areas to study the situation. Although Mr. Ben Gurion's proposals are secret, it is thought that they suggested a "breathing spell" for all parties concerned while the entire matter is given further, exhaustive study.

SENATE DEMOCRATIC COMMITTEE VOTES TO OPPOSE ANTI-ISRAEL SANCTIONS

WASHINGTON, Feb. 19. (JTA) -- The Senate Democratic Policy Committee voted unanimously today to oppose imposition of sanctions on Israel. This was announced on the Senate floor by Senate Majority Leader Lyndon Johnson of Texas.

Senator Johnson, one of the leaders who is to meet with President Eisenhower tomorrow on the Israel withdrawal issue, had asked top party leadership for guidance. He was then advised that the Democratic Policy Committee had unanimously gone on record against anti-Israel sanctions. The Committee acted by endorsing a February 11 letter Sen. Johnson sent Secretary of State Dulles asking that the U.S. delegation to the United Nations be instructed to use all its skill in fighting sanctions.

Sen. Johnson said that he would call the President's attention to the Senate Democratic Policy decision at the White House meeting tomorrow.

Chairman Richard B. Russell (D., Ga.) of the Senate Armed Services Committee told the Senate today that he thinks it would be "poor business to single out the weakest member of the UN for punishment and let larger nations go scot free." Obviously referring to Israel as the "weakest" UN member, Sen. Russell opposed the idea of sanctions against the Jewish State.

Senator Wayne Morse (D., Ore.) of the Foreign Relations Committee upheld Israel's refusal to withdraw from the Gaza and Akaba areas "until Israel gets guarantees from the UN of her survival." Sen. Morse said: "I know of no fact that justifies Israel's taking any guarantees from the U.S. outside of the UN." He added that as far as he is concerned there will be "full debate in the Senate on our unfortunate foreign policy."

Republican Senator Ralph E. Flanders of Vermont expressed sympathy with the position that sanctions leveled against Israel would be prejudicial to U.S. interests and unfair to Israel. In comments on the Senate floor, he also identified himself with statements made by Senate Majority Leader Lyndon Johnson of Texas against sanctions.

Sen. Mike Mansfield, Montana Democrat, said today the United States should take the lead in seeking the guarding of the Gulf of Akaba and the Gaza Strip by the United Nations Emergency Force. He said that as an alternative to sanctions he feels the United States could win the necessary support to interpose the UNEF between possible belligerents. Sen. Mansfield is an important member of the Senate Foreign Relations Committee. As such, he will participate in tomorrow's meeting of President Eisenhower with Congressional leaders.

ISRAEL READY TO PAY COMPENSATION TO ARAB REFUGEES IN GAZA

UNITED NATIONS, N. Y., Feb. 19. (JTA) -- Israel is ready to pay compensation to Arab refugees in the Gaza Strip and to find means of settlement for some of them, Michael S. Comay, member of the Israel delegation here, today told the General Assembly's special political committee.

Mr. Comay declared that Israel's statistics show there are between 705,000 and 725,000 refugees in all. Figures until now used by the United Nations Relief and Works Agency for Palestine have set the totals as well over 900,000.

ISRAEL ALLOCATES FOREIGN CURRENCY FOR PURCHASE OF BASIC FOODSTUFFS

JERUSALEM, Feb. 19. (JTA) -- The Government of Israel has announced that it has resumed allocation of foreign currency for the purchase of basic foodstuffs destined to be sold in the free market, and will once again permit the flow of these commodities to the free market.

Basic foods, such as flour and sugar, are rationed. After the ration is distributed, the government allows the remainder to flow into a free market where prices are much higher. The government imposes a heavy tax on such commodities which brings in some 30,000,000 pounds annually.

The result is that the price of "free" basic commodities has risen to a point where the consumer must put out five Israeli pounds to obtain one dollar's worth of merchandise. When, during the Sinai campaign, the government halted the allocation of foreign currency, prices of available commodities on the free market rose even higher.

Emergency measures planned by the Government of Israel to offset the dollar shortage created by the unofficial American freeze on dollar aid will still leave a \$25,000,000 gap in the national budget, Pinchas Saphir, Minister of Trade and Industry, told the Knesset Finance Committee. He revealed that the American aid freeze meant a budget cut of \$55,000,000 and the Suez-created fuel price increase meant a deduction of another \$20,000,000 for a total of \$75,000,000.

Mr. Saphir said that reduced imports and services was expected to save \$35,000,000 and Israel hopes for a gain of \$15,000,000 from increased exports for a total dollar gain of fifty million dollars. He did not disclose what plans the government had to cover the \$25,000,000 deficit.

FRANCE TO GRANT ISRAEL CREDITS FOR PURCHASE OF GOODS BOUGHT IN U.S.

TEL AVIV, Feb. 19. (JTA) -- Despite France's own economic difficulties she is ready to grant Israel sufficient credit to purchase from France those goods which Israel formerly bought from the United States, French Ambassador Pierre Gilbert told at Israel-French Friendship rally here last night. Representatives of all Israeli political parties were present except the Communists.

Ambassador Gilbert further pledged that France would supply Israel with all the equipment necessary to build a substitute by-pass for the Suez Canal. He held up France as a "proud" friend of Israel at a time when both the United States and the USSR have joined together to "save the Egyptian dictator."

Friendship and support of Israel is becoming an integral part of French political life regardless of party, Shimon Peres, director-general of the Israel Defense Ministry, told the Jewish Telegraphic Agency today on his return from France. Mr. Peres was made an officer of the Legion of Honor in Paris in recognition of his activities in fostering Israeli-French friendship.

TWO NEW OIL WELLS BROUGHT IN IN HELETZ FIELDS; SIX MORE ARE DRILLED

JERUSALEM, Feb. 19. (JTA) -- Two more oil wells were brought in today, in the Heletz oil fields, bringing the total number to 15. Six more wells are now being drilled and new drillings were scheduled soon in the Dead Sea area and in the Far Arava Valley.

Oil was reached in the two latest drillings at 5,000 feet and oil experts said the new wells proved that the oil field was greater than previous estimates had indicated.

JEWISH AGENCY TO BRING 100,000 IMMIGRANTS TO ISRAEL IN 1957

JERUSALEM, Feb. 19. (JTA) -- The Jewish Agency has once again revised its immigration estimates for 1957 upward and now plans on transporting and absorbing 100,000 refugees this year, Avraham Harman, member of the Agency executive, disclosed here.

He warned that unless economic contributions from abroad are increased, economic conditions in Israel would worsen under the impact of the new wave of immigration which this month will hit the 8,000 mark. He pointed out that even the emergency campaigns launched by the United Jewish Appeal in the United States and in Europe, South America and South Africa cannot fully cope with the problem.

The entire membership of the Jewish Agency executive will be convened at a meeting here March 3, the executive decided today. Dr. Dov Joseph was formally installed as treasurer of the Agency, succeeding Peretz Naphtali, who retired.

NEW YORK PRESS SUPPORTS ISRAEL'S REQUEST FOR SECURITY GUARANTEES

NEW YORK, Feb. 19. (JTA) -- Israel's request for specific guarantees to protect her right of navigation through the Akaba waterway and to security against raids from the Gaza Strip received sympathetic support today in the New York press.

The New York Times, commenting editorially on the Dulles aide memoire and the Eisenhower declaration at Thomasville, Ga., noted that "what the United States has thus far failed to do is to give the Israelis a real guarantee that we will oppose with every means in our power any effort of another state to obstruct 'the right of free and innocent passage' as Egypt had obstructed it prior to the recent hostilities. Such a guarantee, the Times continued, "would surely induce an Israeli withdrawal from the area."

Esponsing the idea of a UN border force occupying the Gaza Strip, the Times asserted that this would offer a greater hope of a permanent settlement than a return to Egyptian rule or a continuation of Israeli control. "For one thing," the editorial said, "it would offer time; and for another it would be in the spirit of a peaceful solution, protecting Israel from border raids without rewarding her for her military action."

The Herald Tribune, which called the Dulles plan "imaginative and constructive," underlined that Israel has not yet received any response to its "basic demand for an Egyptian renunciation of belligerency." The newspaper supported this demand, which it said should include a restoration of Israel's right to use both the Gulf of Akaba and the Suez Canal and Egypt's disavowal of fedayeen raids.

Pointing out that there has been "no overt pressure" on Egypt for a commitment that "would assist to build up a peace," the Herald Tribune said that "under these circumstances, the Israeli reluctance to accept the Dulles plan immediately and unconditionally can be understood." It urged that the Dulles plan be pursued, "preferably without the running fire of State Department comment that, without documentation by the texts of the pertinent material, has produced more confusion than clarity."

The World Telegram and Sun editorially called the President's Thomasville statement a "friendly warning." If Israel "does not heed it," the newspaper continued, "she will complete the isolation which endangers her." The editorial further suggested that Israel "is wrecking her own case by ignoring the UN evacuation order." Esponsing the "strongest possible assurances for Israel security," the World Telegram and Sun asserted however, that these assurances will not be given nor will the problem of a peace settlement be advanced "as long as Israel defies the UN."

The New York Post, in an editorial, insisted that "it is unclear at the moment whether President Eisenhower has addressed a reassurance or an ultimatum to Israel." It noted that the Israelis have "understandably asked for further elaboration of the U.S. position" in the light of threats in Cairo to restore the blockade. The "time has come," the Post declared, "for the President to address himself to Col. Nasser as well as Ben Gurion."

British Press Attacks American Pressure on Israel

LONDON, Feb. 19. (JTA) -- The pressure of the Eisenhower Administration on Israel, including an apparent readiness to support United Nations sanctions, was under sharp attack today in the British press.

Five leading Britons demanded proper security guarantees for Israel and backed Israeli administration of the Gaza Strip in a letter to the Times. They were Lord Cunningham, famous wartime naval commander; Lord Haily, former Governor of Punjab, Lord Hankey, member of the war cabinet, Professor Gilbert Murray, and Rev. E. G. Selwyn, distinguished churchman.

The London Daily Telegraph, in an editorial, bitterly assailed President Eisenhower's appeal to Israel, calling it "either shockingly cynical or alarmingly naive." The newspaper charged that the "argument that the United States cannot give concrete assurance in advance of Israeli withdrawal but would do so afterward is a contemptuous evasion."

The Manchester Guardian urged a clear American guarantee of free passage in the Gulf of Akaba, adding that Israel's "stubbornness" was understandable in the face of the vagueness of the American "guarantees." The London Daily Express, urging Israel to "stand fast," said Israel should be provided with "cast iron guarantees" before withdrawal from the Gaza Strip and the Gulf of Akaba positions.

RABBI RAUCH, FOUNDER, WORLD UNION OF LIBERAL JUDAISM, DEAD

LOUISVILLE, Ky., Feb. 19. (JTA) -- Rabbi Joseph Rauch, a founder of the World Union of Liberal Judaism and spiritual leader in this city in the last 44 years, died yesterday. He was 76. Rabbi Rauch was also active in public affairs, including the causes of penal reform and interracial and interreligious understanding.