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EISENHOWER WARNS RUSSIA AGAINST SENDING ARMS TO ARAB COUNTRIES

WASHINGTON, July 17. (JTA) -- President Eisenhower told a press conference today that it was not necessarily true that Arab-Israel tensions have generally increased. He suggested that in the recent Syrian-Israeli clash there were indications both sides were ready to stop.

Mr. Eisenhower said, however, that shipment of arms by Russia into the area cannot possibly contribute to peace and lessening of tension. It must have the opposite effect, he said. The President made his comments in response to a question eliciting his view on whether Soviet arms deliveries to Syria and Egypt have contributed to an increase of Arab-Israel tension.

President Eisenhower's remarks coincide with a report today from Cairo that a new three-country deal was under way to provide Syria with more arms from Communist Czechoslovakia. The new plan, the report said, calls for Syrian export of wheat to Egypt in exchange for some of Egypt's cotton credits in Czechoslovakia. Syria would use the credits to buy more arms. Syrian Defense Minister Khaled el Azem is en route to Prague and Moscow to close the deal, the Cairo report revealed.

State Department spokesman Lincoln White said today the United States was gratified at Israel's decision to permit United Nations truce observers to occupy certain positions on the Israeli-Syrian frontier. He pointed out that the United States had favored this for some time. He was referring to an announcement by the United Nations that Israel has requested the establishment of UN "lookout posts" on her side of the Israeli-Syrian border. The posts, staffed by United Nations observers, have been set up on a thirty-day trial basis.

ISRAEL WELCOMES DULLES AS MEDIATOR FOR DIRECT ARAB-ISRAEL TALKS

JERUSALEM, July 17. (JTA) -- Secretary Dulles' statement at his press conference yesterday, reiterating his 1955 stand that the United States' good offices were available to both sides in the Arab-Israel conflict was welcomed today by a spokesman of the Foreign Office here.

The spokesman pointed out that Israel continues to favor direct negotiations between Israel and the Arab governments "and for this purpose the good offices of the United States are certainly welcome." He noted that Mr. Dulles' remarks indicated that he did not expect progress toward a peace settlement in the near future. Actually, the Israeli continued, in recent weeks all Arab radio stations have been vying with each other in virulent threats to destroy Israel.

Dulles' Views on Arab-Israel Peace Efforts Welcomed in U. N.

UNITED NATIONS, N. Y., July 17. (JTA) -- The consensus of authoritative opinion here regarding Secretary of State Dulles' hint yesterday of a "quieter" role for the United States in peace efforts between Israel and the Arab states, is that it is an excellent diplomatic move bordering on the masterpiece.

While Mr. Dulles did not say what "nation or nations" he had in mind as playing "a more useful role" than American possibly can in the area, it was certain here that he had Moslem Pakistan in mind. It was pointed out that Mr. Dulles was well prepared for the question and that a Secretary of State does not pull such important matters from a hat.

This, plus the statement by Pakistan Prime Minister H. S. Suhrawardy that Israel was a fact that one must live with, and that there might be mediation between her and the Arab states, is taken to mean that an era of "quiet diplomacy," as sought by Secretary General Dag Hammarskjold, may be about to begin in the Middle East. It is significant that at Mr. Hammarskjold's press conference in Geneva yesterday, he parried all questions relating to the Middle East.

Also, opinion here is that Prime Minister Nehru's visit to Cairo has much significance along these same lines. Word here from Asian sources is that Mr. Nehru has been trying to get President Nasser to take a less belligerent attitude, not only toward Israel but toward other Arab states, in our out of the Baghdad Pact.

Asian delegates are saying that the American move to allow states within the Asian-African sphere to attempt to bring peace to their own area is a smart move, since

any action on the part of the West, particularly the United States now, in a section so newly removed from colonialism begins under an initial handicap. One thing is certain, delegates said the U. S. is not thinking of playing a smaller role in the Middle East, only a quieter one.

U. S. CRITICIZED IN CONGRESS FOR PROVIDING ARAB COUNTRIES WITH ARMS

WASHINGTON, July 17. (JTA) -- The United States policy of providing arms to Saudi Arabia, Jordan, Iraq and Lebanon at a time when their rulers threaten Israel in public statements was criticized in the House today by Representative James Roosevelt.

"Saudi Arabia, which is now supposed to be the great and good friend of democracy in the Middle East, persists in its campaign against Israel with demands that the Straits of Tiran and the Gulf of Akaba be closed," he pointed out. The California Democrat said that if the United States continues such military aid to the Arab states "then we either have to provide arms to Israel or else we must answer the Arab threat against Israel by entering into a firm security pact with that country."

He pointed out that when the United States gives arms to the Arabs without requiring them to make peace with Israel "they are likely to interpret our grants as a blessing on their policy." He said the granting of arms to the Arabs in advance of a peace settlement does not make for peace but "feeds the military ambitions of the more aggressive elements and it prejudices the attainment of a peace settlement."

Rep. Roosevelt stressed that Syria and Egypt are receiving arms from Russia while Jordan, Saudi Arabia, Iraq, and Lebanon are being furnished with arms by the United States. He said: "The one country that gets arms from neither the Russian nor the United States is Israel - the only country which is completely and irrevocably committed to the defense of the free world."

"It was a shocking fact that, notwithstanding our substantial gifts of arms to Iraq, that country is more violent in its threats against Israel than any other country in the Middle East," Rep. Roosevelt declared. He urged an increase in economic aid to Israel in view of increased flow of immigration there. He said many Congressmen were concerned and expressed a view that support of Israel was vital for peace and basic American interests.

SAUDI ARABIA TO PLACE ARTILLERY ON ISLANDS GUARDING ACCESS TO AKABA

WASHINGTON, July 17. (JTA) -- Reports were received here today that Saudi Arabia has decided to establish coastal artillery installations on the islands of Tiran and Sinafir controlling the strategic Strait of Tiran and access to the Gulf of Akaba.

The islands, owned by Saudi Arabia were fortified by Egypt under agreement until Israel lifted the blockade last autumn. The reports said that King Saud recently reached a new agreement with the Egyptian War Minister, Maj. Gen. Abdul Hakim Amer, to refortify the islands. A question exists here to what attitude the United States will take in view of the American desire to retain friendly relations with King Saud.

U. S. BANKERS START TALKS IN JERUSALEM FOR \$75, 000, 000 LOAN TO ISRAEL

JERUSALEM, July 17. (JTA) -- The four-man delegation of the Export-Import Bank began negotiations today with top Israel Government economic leaders on Israel's request for a \$75, 000, 000 loan from the bank for irrigation and water development projects. Later, they met with Premier David Ben Gurion.

At the morning meeting, Levi Eshkol, Finance Minister of Israel, outlined Israel's economic progress and the purpose for which Israel sought the \$75, 000, 000 loan. The bank delegation was accompanied to the talks by experts from the U. S. Embassy here and the aid mission. Israel was represented by its Ministers of Finance, Trade, Agriculture and by Treasury officials.

TEL AVIV'S DEPUTY POLICE CHIEF, SON OF BEN GURION, WINS LIBEL CASE

TEL AVIV, July 17. (JTA) -- Amos Ben Gurion, Tel Aviv's deputy police chief and son of Premier David Ben Gurion, won a libel suit today against four individuals and a volunteer organization fighting graft for falsely accusing him of corruption in office. The court awarded Mr. Ben Gurion 5, 000 pounds and costs.

The court found the defendants, publishers of a pamphlet entitled "Danger Threats From Within" and Hashurat Hamitnadvim guilty of three of six counts of libel charged by Mr. Ben Gurion. They were: that Mr. Ben Gurion had used his influence to quash a case against a friend, that he had informed the friend of the investigation against him, and that he had associated with the man knowing that criminal proceedings had been instituted against him.

The judge's 60-page decision, which also took Mr. Ben Gurion to task for being involved in private business while acting as a civil servant and for attempting to influence public opinion in his behalf during the trial, ended a three-month trial. More than 500 exhibits were mustered by attorneys for both sides, who included some of Israel's top legal minds.

DR. GOLDMANN URGES PLACING QUESTION OF SOVIET JEWRY BEFORE WORLD

JERUSALEM, July 17. (JTA) -- The time has come to place the question of Soviet Jewry before the bar of public opinion, Dr. Nahum Goldmann, president of the World Zionist Organization, reiterated here today during the general debate in the Zionist Actions Committee.

Replying to criticism from veteran Zionist Dr. Itzhak Gruenbaum who opposed making an international question of the plight of Russian Jewry, Dr. Goldmann revealed that he had met during the past year with a number of Russian representatives and believes that there are good prospects for the demand, through contacts in the Communist governments of Eastern Europe, for the right of Soviet Jews to migrate to Israel. He cautioned, however, that Jewish demands must not be transformed into a crusade against the USSR.

Jacques Torczyner, leader of the Zionist Organization of America, told the Actions Committee that were it not for the Zionist movement, American Jewish efforts in behalf of Israel would be a failure. At the same time, he paid tribute to the all-out support of American Jewry for Israel during the Sinai campaign. Mr. Torczyner agreed with Dr. Goldmann on the need for closer relations between the Israeli Government and the Zionist movement.

During the debate, Mizrahi delegate Benyamin Shaher cited the "injustice" of the status of rabbis and the lack of rabbis in the settlements. Another Mizrahi delegate, Yeshayahu Bernstein, charged that only one-third of the 14,000 children and young people now in Youth Aliyah institutions were receiving a religious education, although more than a third of them came from Orthodox families.

Mrs. Bertha Schoolman, leader of Hadassah, the American women's Zionist organization, who is responsible for Hadassah activities in the Youth Aliyah movement, denied Mr. Bernstein's assertion that 3,000 children from Orthodox homes had been placed in non-religious centers. She called such a situation "inconceivable." Mapam delegate Shlomo Rosen urged an increase in the Jewish Agency's budget for pioneering activities among the youth, asserting that this would also bring to Israel the middle class elements sought by many Zionist leaders.

RUMANIAN JEWS ASK EMIGRATION OF THEIR RELATIVES FROM RUMANIA

JERUSALEM, July 17, (JTA) -- A delegation of some 150 Jews from Rumania, most of them aging men and women, called on Dr. Nahum Goldmann, president of the World Zionist Organization, today to urge greater efforts in behalf of the reunion of families split between this country and Rumania. The older people pointed out the personal hardships resulting from their separation from their children who have not been permitted to leave Rumania.

Dr. Goldmann told them of the unceasing efforts of worldwide Jewish organizations to get Rumania to open its doors for Israel-bound emigrants and pledged that these efforts would not come to a halt until they were successful. The Zionist leader revealed details of recent meetings with official Rumanian representatives and expressed the hope that the Rumanian authorities would show understanding and a sympathetic attitude toward the pleas of the Jewish groups.

POLISH PARLIAMENTARY BODY HEARS TESTIMONY ON JEWISH INSECURITY

VIENNA, July 17. (JTA) -- Insecurity and fear reign among Polish Jews as a result of widespread anti-Semitism, Gerard Skok a member of the Polish Sejm (Parliament) has charged in testimony before a Sejm committee.

A report just received here from Warsaw said that Mr. Skok called punishment of anti-Semitism "too mild." He related that of some 50 known incidents of anti-Semitism the perpetrators of only ten were brought to court and that in half of the cases the court meted out insignificant sentences.

Insecurity has increased, the deputy charged, since Polish families were installed in the apartments of Jews even before the Jews emigrated from the country. In a review of the status of Jews left in Poland, the deputy said that 52 per cent were manual laborers, 20 per cent work in state-controlled industries and institutions and 12 per cent are craftsmen.

BRITAIN DECIDES TO TAX MONEY RECEIVED BY NAZI VICTIMS AS COMPENSATION

LONDON, July 17. (JTA) -- Despite pleas from both sides of the House, the Macmillan Government turned down last night a proposal to exempt from income taxation money received as compensation by victims of Nazism. Parliament voted the financial bill as approved by the government.

In rejecting the pleas for special consideration for Nazi victims, a government spokesman compared the position of a widow of a Nazi victim with a British widow whose husband had died in a German POW camp. To make special concessions for one and not the other, he said, was impractical and unjust. He drew similar parallels for other types of compensation from West Germany.

JEWISH CONGRESS TESTIFIES AT CONGRESSIONAL HEARING ON SECURITY PROGRAM

WASHINGTON, July 17. (JTA) -- The American Jewish Congress today urged the House Civil Service Committee to oppose efforts to create a permanent statutory Federal employees security program, the principal recommendation of the Commission on Government Security. The AJC position was advanced in testimony before the House Committee by Will Maslow, general counsel of the organization. The Commission on Government Security was established by the U. S. Congress to investigate the nation's security program.

"Despite the expenditure of some \$730,000 during a two-year period," Mr. Maslow charged, "the Commission on Government Security has failed to carry out the directive of Congress to study the 'actual manner' in which the various statutes and executive orders are being administered. Instead, the Commission -- without holding public hearings or reporting on the actual administration of the security program -- now proposes a permanent statutory program that will freeze existing evils, facilitate new abuses and saddle us permanently with a vast, expensive and wasteful apparatus," he said.

"Although the Commission has suggested a few procedural improvements, its chief proposals would be a tragic backward step," Mr. Maslow stated. "It would expand the present operation of the program, now applicable to sensitive positions only, to cover every single position in the Federal establishment; it would for the first time include employees of the legislative and judicial branches; it would give statutory sanction to the Attorney General's list of subversive organizations; it would legalize wiretapping; punish newspapermen for disclosing classified material; restrict the use of the parole provision under which 30,000 Hungarian refugees were admitted to this country; and allow the Attorney General to imprison indefinitely any alien ordered deported if the Attorney General believed it necessary to protect national security."

Emphasizing that the American Jewish Congress "opposes the establishment of new, permanent, gigantic programs affecting every civilian employee," Mr. Maslow said: "The Commission has itself pointed out that by now, every Federal civil service employee has been investigated. Yet the Commission would establish a gigantic apparatus to investigate new employees added each month to the Federal payroll, although 80% of these positions, according to the Commission itself, are not sensitive. Moreover, the Civil Service Commission already employs 1,000 persons to carry out such investigations. The Commission on Government Security has failed to demonstrate that there is any real risk to our security arising from these new employees that cannot adequately be handled by our existing laws that forbid the employment of Communists and punish sabotage and espionage."

AMERICAN-ISRAEL BANK FORMED; U. S. JEWS ASKED TO ACQUIRE STOCK

NEW YORK, July 17. (JTA) -- American Jews were urged today to acquire stock in a newly formed American-Israel bank which has been established to finance industrial enterprises in Israel. The new banking venture is known as the Israel American Development Bank.

John Furman, the bank's general manager, who is now on a visit to the United States, explained today that the bank was founded jointly by the Workers Bank of Tel Aviv and by AMIPAL-American Israel Corporation. The bank, he said, will provide development capital at reasonable interest rates for existing as well as new industries vital to the economic growth of the nation, thus meeting one of the most acute needs in Israel's expanding economy. Over 30 of Israel's industrial enterprises are the bank's first clients, he reported.

"Our bank will finance projects with a view to increase Israel's exports, create new employment, develop hitherto under-developed areas and introduce more efficient production methods and lower production costs," Mr. Furman said. "Among our first customers are manufacturers of metal, glass, plywood, cement, automotive products and agricultural machinery. We invite all friends of Israel to share the success of our new bank. "by subscribing to its perpetual 6% Debenture Stock. We are able to accept Israel Government Bonds in payment for stock and we shall be paying half-yearly interest on stock in dollars. Stock holders will be able to share our surplus profits and assets, too."

FIFTY AMERICANS LEAVE FOR ISRAEL; SOME TO SETTLE, OTHERS TO WORK

NEW YORK, July 17. (JTA) -- The stream of American Jews to Israel, to settle permanently, to supply American "know-how" and to be of personal service in the agricultural colonies is continuing at a steady pace, the Jewish Agency reported today. Fifty American Jews, halutzim, professionals, middle class settlers sailed on the S. S. Zion this week.

One group of volunteers, under the auspices of the Agricultural Work-Study Project in Israel, will spend a minimum of one year working in Israel's agricultural settlements. Their purpose is to contribute to the welfare of the State by helping to raise the essential foods which the growth of the population requires. About 80 per cent of these volunteers remain in the country. Another group consists of pioneers who intend to become members of cooperative settlements in the Negev.