



Jewish Telegraphic Agency

DAILY NEWS BULLETIN

660 FIRST AVENUE

NEW YORK 16. N. Y.

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Vol. XXV No. 36 - 40th year Friday, February 21, 1958

JEWISH AGENCY OFFICIALS KIDNAPPED BY ALGERIAN REBELS; SEARCH STARTED

PARIS, Feb. 20. (JTA) -- Two Israelis who head Jewish Agency activities in Algeria have been kidnapped by the Algerian rebels and their present whereabouts are unknown, it was revealed today.

Jacob Hassan, director of the Jewish Agency in Algeria, and Raphael Ben Gera, an Israel emissary, were kidnapped February 17 while traveling on a business trip in a taxi driven by an Arab.

French security forces opened a hunt for the kidnapped Israelis but had no report on where the rebels might be holding them or any possible reason for their seizure.

ISRAEL REPORTS THREE JORDANIAN, ONE SYRIAN ATTACKS; ONE ISRAELI KILLED

TEL AVIV, Feb. 20. (JTA) -- Three Jordanian attacks, in one of which an Israel patrolman was killed, and one burst of Syrian gunfire occurred during the past 48 hours, officials reported today.

The first attack took place in the Gilboa Hills region where Jordanians opened fire yesterday on an Israel patrol. The patrol returned the fire in a two-hour exchange and remained in the area to repulse any additional Jordanian attacks. The patrol decided to withdraw last night and in so doing discovered one man was missing. The body of the victim was found this morning near the border.

Later in the day more Jordanian fire was directed at the patrol position. Today Jordan snipers attacked in another sector west of Shaar Hagai in the Jerusalem Corridor. An Israel patrol returned the fire. No casualties were reported.

The Syrian shooting occurred in the Lake Huleh area and was aimed at workers. The shooting did not stop the work program.

BRITISH GOVERNMENT INSISTS ON TERRITORIAL CONCESSIONS BY ISRAEL

LONDON, Feb. 20. (JTA) -- The British Government continues to hold by the Eden plan for settling the Arab-Israel conflict by territorial concessions on the part of the State of Israel, Foreign Secretary Selwyn Lloyd made clear today during a foreign policy debate in Commons.

Replying to a demand voiced yesterday by Labor Party leader Hugh Gaitskell that the Western Big Three and the USSR undertake to guarantee the borders of Israel, Mr. Lloyd said: "Our position today is a settlement as suggested by Sir Anthony Eden in his Guildhall speech." Sir Anthony's proposals, made 18 months ago while he was still Prime Minister, met with a wall of opposition in Israel and at home among both the Opposition and some Conservative MP's.

Any such guarantee of Israel's borders as the Laborites ask, Mr. Lloyd said, would be bitterly resented by all of Israel's Arab neighbors.

Aneurin Bevan, member of the Labor Party's "shadow cabinet," intervened to characterize Mr. Lloyd's statement "extremely serious." He asked if this demand might involve a substantial loss of Israel territory or only rectification of frontier anomalies. He termed any demand for substantial concessions "highly dangerous." Mr. Gaitskell also intervened to make a point about the "great difference" between mutually agreed frontier changes and substantial territorial changes.

The Foreign Secretary pointed out that he had not used the word "substantial" but said that since he thought it was the desire of all parties to convert the armistice agreements to a peace settlement and that must be done through negotiations involving compromise on both sides.

"There are several elements in any settlement--frontiers, refugees, Jordan borders, access and other problems--and the more one party gives on one issue the less it should be expected to give on another," the Foreign Secretary said. The Eden statement, he went on, made clear that it was a matter of negotiation and compromise.

Mr. Gaitskell scored the Government for adhering to the Eden plan, asserting that he found it "astonishing" that the government could still espouse the 18-month-old proposal

which, he pointed out, is "out of the question for Israel to accept." He said British reiteration of the Eden proposal could only harm the present situation by giving the Arab states the false hope that such a settlement could still be obtained.

He also called for an arms embargo or at least partial control of the flow of weapons into the Middle East as "one thing which can be done." Commenting on the two recent Arab mergers, Mr. Gaitskell expressed the hope that: they would not lead to excessive nationalism nor aggression, that they would speed the economic development of the area and bring nearer a solution of the vexatious problem of the Arab refugees.

J. Stonehouse, another Laborite, attacked the Foreign Secretary's remarks, asserting they would be received with dismay and disgust and that "rather than adding to the stability of the Middle East area they will help add fuel to the fire of suspicion."

Foreign Secretary Selwyn Lloyd, replying to a question by a Laborite, expressed the government's hope that something of a permanent nature will develop from the United Nations Emergency Force now stationed on the Israel-Gaza Strip border. However, he said the government would like to await a report from UN Secretary General Dag Hammarskjold on the matter before making any further statement.

U. N. CHIEF INDICATES APPROVAL OF ARAB MERGERS; STRESSES LEGAL PROBLEMS

UNITED NATIONS, N. Y., Feb. 20. (JTA) -- United Nations Secretary General Dag Hammarskjold today gave indirect approval to the mergers of the Arab countries which took place earlier this month. At a press conference, he was asked whether the merger of Jordan and Iraq would have a favorable effect on the solution of the Arab refugee problem. In reply, he stated: "It would be foolhardy to express an opinion on that specific point. However, everything in the direction of consolidation in this divided world would be helpful--every successful effort would be helpful."

The Secretary General said the United Nations is still studying a good many legal questions in regard to the two Arab mergers, Iraq-Jordan and Egypt-Syria. He added that he has had no official communication as yet to support a report that Syria would insist that the UN Truce Supervision Organization in Palestine must direct any problems dealing with Syria, after February 22 when federation becomes official, to the Foreign Office of the "United Arab Republic" in Cairo.

Mr. Hammarskjold said he could not go into the problem of whether the four Arab states, announced as unified into two separate federations would have two UN memberships or more. Nor could he say at this point whether he, indeed the General Assembly, would deal with accepting credentials from the new federations if and when such credentials were presented. That point, he stated, is another of the legal problems which will have to be dealt with and "we are not ready yet to deal with that point. Some of these matters depend on the legal succession."

Asked about whether he considered the Mt. Scopus agreement between Israel and Jordan as successful, the Secretary General said "while I sincerely hope this agreement will help in the region, it is not as yet fully implemented." Mr. Hammarskjold denied, as reported in some dispatches, that Under Secretary Ralph J. Bunche would be sent to the Middle East to continue the negotiations regarding Mt. Scopus that had been started by Dr. Francisco Urrutia of Columbia. On that point, Mr. Hammarskjold said: "Dr. Bunche is one of the members of our team in my office who is close to the Middle East question. But there are no plans for him to go to the Middle East."

NEHRU'S ANTI-ISRAEL STATEMENT EVOKES "DEEP REGRET" IN JERUSALEM

JERUSALEM, Feb. 20. (JTA) -- A statement by Prime Minister Nehru of India in the Indian Parliament that "voices from Israel" have given "reason for concern" about Israel reactions to the Egyptian-Syrian union evoked "deep regret" and surprise in political circles in Jerusalem today.

Political observers said it was hard to understand what "voices" Nehru had in mind, particularly since Israel officials have carefully abstained from both official and unofficial comment. The observers suggested that apparently Nehru was unable to hear well in Israel, probably because he had no representatives here who could tell him the truth about Israel.

ITALIAN GOVERNMENT WELCOMES NEWS OF NASSER'S INTENDED VISIT TO ITALY

ROME, Feb. 20. (JTA) -- The announced visit of Egyptian President Nasser to Italy this summer was hailed by the Italian Government today as a contribution to bettering relations between the West and the Middle East. A Foreign Ministry spokesman further called the visit "auspicious."

President Nasser will be a guest of President Giovanni Gronchi who issued the invitation two years ago. Plans for the visit were dropped after the Suez campaign. One voice raised in opposition to the visit was that of Republican Party leader Randolph Pacciardi who feared it would provoke "negative reactions" from the French Government.

JEWISH LEADER IN GERMANY SEES PLOT TO DISCREDIT COMPENSATION IDEA

FRANKFURT, Feb. 20. (JTA) -- Recent attacks on Otto Greve, chairman of the Parliamentary Compensation Committee, were not intended, as claimed, to protect victims of National Socialism against high fees, but was an attempt to discredit the whole idea of compensation. Dr. H.G. van Dam, secretary general of the Central Council of Jewish Germany, charged today in an interview with the Jewish Telegraphic Agency.

There is virtually no concern with the needs of the claimants and the slow process of compensation payment, he added, but "one is quickly at hand" when an attempt is made to connect compensation with sensation and scandal. The fact that lawyers, who have their own private practices, are also members of official and compensation committees in Parliament has been known for years. Now this connection is suddenly pointed up with the implication that it is a crime, Dr. van Dam said.

The Jewish leader noted further that fees charged by lawyers handling compensation claims cannot simply be termed exorbitant, but must be considered against a background of complications of the cases. He charged that the slow motion and hampering attitude of compensation authorities has contributed in great part to these complications. It must also be taken into consideration, Dr. van Dam pointed out, that lawyers living abroad have been exempted from German regulations governing legal fees.

Dr. van Dam took a strong stand against all "misuses" of the compensation law and said that the law has built-in provisions for correcting malpractices. It is "entirely unsuitable," therefore, for politicians to arouse the public with sensational attacks instead of really trying to curb such practices by applying provisions of the measure itself, he declared.

STUDENT FRATERNITY IN GERMANY DENOUNCES MEMBER FOR ANTI-SEMITISM

BONN, Feb. 20. (JTA) -- Ludwig Zind, German high school teacher suspended and indicted on charges that he publicly said the Nazis had not gassed enough Jews, has been denounced for his anti-Semitic utterances by his own student fraternity, the Franconia Fraternity at Freiburg University.

The group, whose remarks have aroused widespread interest in West Germany, said it was "incomprehensible" that anyone could declare himself an anti-Semite "after the suffering which racial madness brought on Germany and on Europe." The fraternity asserted that "our love for our people and our history cannot prevent us from completely condemning the crimes which were committed in the twelve dark years (of Nazism.)"

Students at the University of Wurzburg have launched an attack on Prof. Theodor Maunz, Minister of Education of Bavaria, on the basis of his record of cooperation with the Nazis. Among the evidence cited linking Prof. Maunz with the Nazis was his delivery in October 1936 of a paper on "Jewry in Administrative Law" at a Nazi legal conference called specifically to "free the German spirit from all Jewish falsification."

DISCRIMINATION IN EMPLOYMENT IS HARMFUL TO U.S. INTERESTS, NIXON SAYS

LOS ANGELES, Feb. 20. (JTA) -- Racial discrimination and prejudice is more harmful to the United States in the world area than any other single factor, Vice President Richard M. Nixon said here yesterday at a conference of Southern California social welfare leaders and the President's Committee on Government Contracts which was set up to outlaw bias in employment in the government and in firms contracting or subcontracting government orders.

The Vice President, who is also chairman of the President's Committee, insisted that racial and religious intolerance must be ended because of its huge "moral and economic" cost to Americans. Mr. Nixon added that equal opportunity for all citizens regardless of race, color or creed must come about "because it is right" and not merely necessary.

UNITED HIAS VOTES AWARD TO PRESIDENT OF BRAZIL FOR AID TO IMMIGRANTS

NEW YORK, Feb. 20. (JTA) -- Dr. Juscelino Kubitschek, President of Brazil, has been voted the annual Award of Honor of United Hias Service, it was announced today by Murray I. Gurfein, executive committee chairman of the organization.

The award, to be accepted at the United Hias annual meeting in Hotel Sheraton-Astor this Sunday afternoon by Brazil's Ambassador to the U.S., Ernando do Amaral Peixoto, will cite the Brazilian President for his leadership in absorbing during 1957 some 60,000 immigrants, of all faiths. This is more immigrants than all other Latin American countries combined, admitted last year.

President Kubitschek, in designating Ambassador Amaral Peixoto to represent him at this Sunday's annual meeting, indicated that he would send a lengthy message dealing with Brazil's current migration policy, and its attitude toward future immigration into that Portuguese-speaking land. The meeting will also salute Israel on the occasion of its tenth anniversary and will hear greetings from Israel's Consul-General in New York, Simcha Pratt.

AMPAL REDEEMS \$10,000,000 DEBENTURE ISSUE LAUNCHED TEN YEARS AGO

NEW YORK, Feb. 20. (JTA) -- The Ampal, American Israel Corporation, largest group of American private investors in Israel enterprises, today made its final payment of redemption on a ten-year \$10,000,000 debenture issue, launched on April 1, 1948, just six weeks before the establishment of the State of Israel. The occasion was marked by a luncheon at the Bankers Club, attended by some 50 of this city's leading bankers and financiers.

In handing the check of final payment to Fred Keuthen of the Manufacturers Trust Company of New York City, trustees for the issue, Rudolf G. Sonneborn, chairman of the board of Ampal, described the transaction as a singular "act of faith" in the economic future of the State of Israel by the Ampal group's more than 30,000 private investors.

The issue, first offered during the uncertain political conditions in the Middle East immediately preceding the creation of the State of Israel, was completely sold at the time and is the first such debenture bond issue to be paid off in its entirety.

Financial transactions between the United States and Israel were all too often associated with philanthropy and foreign aid, Abraham Dickstein, president of Ampal said in his opening remarks, but Ampal had set an example of private investment and foreign trade which offered convincing proof that it paid to do business with Israel.

He stated that during 1957 the Ampal group had paid its stockholders dividends amounting to \$550,000, and interest to its bondholders and banks amounting to close to \$1,000,000. Ampal and its affiliates have assets totalling nearly \$40,000,000, of which about \$16,000,000 comes from their paid up capital and reserves. Several other debenture issues of Ampal carrying four, four and one-half, and five percent interest were still outstanding. The latest issue of six percent five-year sinking fund debentures for \$5,000,000 was recently registered with the SEC and is being offered to the public now by means of a prospectus.

Annual reports for fiscal 1957 published by the Ampal group show that during the last twelve months financial transactions of close to \$30,000,000 have been carried out, mainly in the form of medium and long term loans through the Treasury of the State of Israel, through the Jewish Agency and to cooperative institutions in Israel through the National Committee for Labor Israel and through the Workers Bank Ltd.

OVER 500 AMERICANS SETTLED IN ISRAEL IN 1957; LARGEST NUMBER SINCE 1951

NEW YORK, Feb. 20. (JTA) -- More than 500 Americans settled in Israel during 1957, it was reported here today by Louis Segal, chairman of the Aliyah Department of the Jewish Agency in New York. He emphasized that this is the largest figure in any year since 1951.

The report disclosed that the total number of immigrants from the United States, Canada and South America who came to Israel since the establishment of the state is estimated at 10,000 persons. He emphasized that the Jewish Agency and the Israel authorities are making every effort to facilitate the settlement of Americans in Israel. Among recent steps taken in this direction, he said, are better exchange rates, abolishment of cumbersome custom regulations, and a more liberal policy in granting import licenses.

Mr. Segal reported that among the Americans who emigrated to Israel in 1957 were the following: 102 chalutzim; 164 professionals; 47 skilled workers; 52 middle class immigrants and 68 retired persons. He stressed that these American immigrants are bringing not only valuable training and technical know-how but also a significant amount of capital to Israel. He estimated that the combined declared capital of American middle class immigrants to Israel in 1957 amounted to over \$250,000 while retired immigrants brought a combined capital of some \$300,000 and an annual income from social security and pensions totalling \$65,000.

CARE TO SEND PASSOVER FOOD PACKAGES FROM U.S. TO ISRAEL DUTY-FREE

NEW YORK, Feb. 20. (JTA) -- Passover food packages can be sent from the United States through the CARE organization duty-free and with all postage included, it was announced here today. The packages are certified kosher by the Union of Orthodox Jewish Congregations of America, the announcement said.

The cost of a Passover food package sent to specified individuals is \$12. This year, through the cooperation of the U.S. Government, CARE is able to deliver "Food Crusade Packages" to Israel schools, hospitals and other institutions. A one-dollar contribution enables CARE to send 25 pounds of staple foods to such institutions.

MORE DEAD SEA SCROLLS BELIEVED UNCOVERED BY WANDERING TRIBESMEN

LOUISVILLE, Ky., Feb. 20. (JTA) -- Bedouin tribesmen may have uncovered another cache of ancient scrolls like those found in the Dead Sea area some years ago, Dr. Franz M. Cross, associate professor of the Old Testament at Harvard University Divinity School, declared in an interview here.

Prof. Cross said he had received word that such manuscripts had been found by the wandering tribesmen in the Qumran area of Jordan near the site of the first finds.