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MIZRACHI MINISTERS QUIT ISRAEL CABINET OVER "JEWISH" IDENTITY ISSUE

JERUSALEM, June 25. (JTA) -- The United Religious Party quit Israel's coalition today on the issue of state identification of the Jewishness of Israel's citizenship, but the split was not expected to cause the fall of Premier David Ben Gurion's Government.

Moshe Shapiro, Minister of Religious Affairs, and Zorach Warhaftig, Deputy Minister, called on Mr. Ben Gurion to convey orally the unanimous decision of the merged Mizrahi and Hapoel Hamizrachi to leave because of a Cabinet vote Sunday on a new official identity card which gave the option to any Israeli to list himself as Jewish by his own decision. The two religious groups have participated in every government since the establishment of Israel in 1948. They won 11 of the 120 seats in Knesset in the last national election in July, 1955.

No developments were expected from the departure of the 11 Religious Party Knesset deputies until Mr. Ben Gurion calls a Cabinet meeting and then reports to Knesset. The Cabinet may be convened tomorrow and the meeting would provide an opportunity to reconsider the issue of the identity cards and thus lay the basis for continuation of the present coalition.

Meanwhile, Interior Minister Israel Bar Yehuda, whose identity cards precipitated the current situation, told a press conference today that he would support a proposal that faith and nationality not be included on an individual's card, but that he merely be identified as to citizenship status. This statement may lead the way to a solution of the crisis, unless the security authorities insist on retention of the nationality and religious questions.

The issue of the identity cards was understood to be a basic one for the religious parties because state permission to any citizen not belonging to any other faith to register himself as Jewish would diminish the Chief Rabbinate's control over issues of personal status, such as marriage, divorce and inheritance. The religious parties contend that the identity card claim runs counter to the age-old criteria by which an individual's Jewishness has been determined. They have proposed that identity cards should not include the holder's religion at all.

The Chief Rabbinate meanwhile issued a directive to all its branches in Israel to disregard the religious designation in the identity cards and to investigate each situation individually.

3,500 ATTEND U. J. A. SESSION IN ISRAEL; HEAR PLEDGES BY AMERICAN LEADERS

JERUSALEM, June 25. (JTA) -- An audience of 3,500 people tonight heard American Jewish leaders pledge continued aid through the United Jewish Appeal for the settlement of Jewish immigrants in Israel. The pledges were voiced at a public session of the UJA convention held at the Bronfman Amphitheatre of the Hebrew University here.

Edward M.M. Warburg, UJA honorary chairman who presided over the evening session, said it was the will of American Jewry as expressed through the UJA, that "in this land you, who build, should have the bricks and the mortar for building. For when your sweat and sinews transform the barren soil and make it yield up the fullness of its fruits, it is our dream too, to which you give flesh and substance." Samuel H. Daroff of Philadelphia disclosed that the sums announced here together with cash collected in thousands of other American communities will bring the UJA mid-year cash total to \$35,700,000.

Dov Joseph, Jewish Agency treasurer, outlined the following nine-point program for Israel's next decade of achievement: 1. Admission of 50,000 immigrants a year until Israel's population hits the 3,000,000 mark; 2. Completion of the master plan for water development, which will require still another \$150,000,000; 3. Settlement of the Negev; 4. Consolidation of agriculture, including expansion of citriculture; 5. Building of 100 new factories to produce goods for export and for the local market; 6. Construction of tens of thousands of new homes for the immigrants; 7. Continued afforestation; 8. Economic absorption of the stream of immigrants, and 9. Expansion of educational, health and social services.

(The session was also addressed by Premier David Ben Gurion. However, he had not yet delivered his speech by the time the Bulletin went to press.)

EBAN SIGNS DOCUMENTS COVERING U.S. LOAN OF \$15,000,000 TO ISRAEL

WASHINGTON, June 25, (JTA) -- Israel Ambassador Abba Eban today signed formal documents covering a \$15,000,000 loan recently extended to Israel by the U.S. Development Loan Fund. Dempster McIntosh, manager of the loan fund, participated in a brief ceremony in the offices of the International Cooperation Administration.

U.N. REPORT SAYS ISRAEL'S ECONOMY STILL DEPENDS ON AID FROM ABROAD

UNITED NATIONS, N. Y., June 25, (JTA) -- Israel's economic achievements during the past year, as well as the serious economic problems which it is still facing, are outlined in a report issued here today by the United Nations.

The report emphasizes that Israel is now producing about 70 percent of its own food and an even higher percentage of certain manufactured goods needed for internal consumption. At the same time, the report stresses, Israel's wholesale price index is rising steadily and defense expenditures are climbing.

"At the present stage," the report declares, "the country is still far from achieving an external financial equilibrium. Without further external financial aid, it is doubtful whether the progress so far achieved can even be maintained, especially in the face of a continuing--possibly heavy--influx of immigration."

Israel's total foreign obligations, states the report, was \$299,600,000 by the end of March, 1957, as against \$89,600,000 in foreign currency balances, with a net outstanding liability of \$210,000,000. "This," the report adds, "is likely to become a burden on the economy, and additional difficulties are to be expected by 1962, when payments under the German Reparations Agreement will have ended." The report calls attention to the fact that, as of September 1, 1957, almost half of the total of \$822,000,000 provided for in the German-Israeli Reparations Agreement of 1952 has been paid out in goods and services.

In general, the report states, "inflation is one of Israel's greatest obstacles to achieving its aims in a reasonable amount of time." While the statistical tables in the report show vast progress in almost every field of Israel's economy activity, internal as well as external, it declares that "the inflationary process characterizing its economy makes it increasingly difficult for Israel to achieve a level of consumption--private and public--properly related to the income produced in the country itself."

Decrease in Unemployment; Increase in Government Expenditures

The UN report says that "a feature of Israel's growth in recent years is that consumption has been exceeding net output." Israel's "net national product" in 1956 aggregated 2,337,000,000 Israeli pounds, but its total consumption exceeded that figure by 202,000,000 pounds. Most of that discrepancy was due to what the report calls "public consumption," which almost doubled in 1956 over the 1953 level, while private consumption in that period rose only by 34 percent.

General wholesale prices rose last year to an index figure of 151, based on 1953 costs, while the cost of living index rose to 137. During the period from 1953 to September, 1957, the number of unemployed in Israel decreased from 17,680 to 8,920, in spite of the fact that the total population had risen considerably.

"Government expenditure," the report declares, "has been steadily increasing, not only in absolute figures but also relatively to gross national product." The figures show that government expenditures were 88.37 million Israeli pounds in 1950, and had risen to 662.56 million by 1956, by which time those expenditures had gone up to 26.4 percent of the gross national product.

The figures for government expenditures are even higher, the report indicates, because they "do not give a full account of the defense expenditure." Furthermore, the report states, the figures for the central government's expenditures do not include monies spent by municipalities or by the Jewish Agency "and certain other public bodies."

Private investments have gone up from 185 million Israeli pounds in 1953 to 265 million in 1956, the report establishes. It also shows the increase in "gross domestic capital formation" in the country, which includes dwellings, non-residential buildings and other construction, transport equipment, machinery and other equipment, and stocks in share corporations. This figure almost doubled in the last four years, increasing from 332.8 million Israeli pounds to 623.2 million. Manufacturing production increased by 143.59 percent in the four years while agricultural production went up during those years by 156.48 percent.

The figures concerning Israel are part of an overall report, entitled "Economic Developments in the Middle East, 1956-1957," issued by the United Nations as a supplement to its world economic survey for 1957. "The inflationary cycle is world-wide according to the world survey. The report also shows that, in the entire Middle East region, Israel ranked first in figures for per capita consumption. Israel's figures show the countries inhabitants having "a total caloric intake of 2,860 per day," with Turkey next and Egypt third.

AMERICAN JEWS WELCOME THE SHAH OF IRAN'S VISIT; CITE HIS FRIENDSHIP

NEW YORK, June 25. (JTA) -- American Jewish groups today warmly welcomed the arrival in the United States of the Shah of Iran, a staunch friend of the Western Powers whose liberal treatment of the Jews of Iran is indicative of his progressive inclinations.

Jewish leaders pointed out that under the reign of the young ruler the lot of the Jews in Iran has greatly improved and is better than at any time in contemporary history. Various world Jewish organizations have been permitted to build their networks of schools, vocational training centers and social and medical services in the Jewish community. These have gone far to wipe out illiteracy and the worst diseases indigenous to the area.

Under the young Shah, Jews of Iran have begun to return to Israel, reviving the legendary glory of Cyrus of Persia under whose rule the first great return of the Jewish people to the Holy Land took place. Then, the Jews started out, with the support and gifts of that great Persian king, to rebuild the Second Temple. Since 1948, when Israel was established, over 20,000 Iranian Jews reached the Jewish State. American Jewish leaders expressed their hope today that this living bridge will pave the way for friendship between Iran and Israel.

The Joint Distribution Committee is now operating in Iran, giving aid to 17,000 Jews and feeding 5,700 children in its canteens. The O.R.T. operates schools in Teheran, Shiraz and Isfahan where 1,900 Jewish students receive vocational training. The Alliance Israelite Universelle teaches 8,000 Jewish children in its 23 schools in Iran, while other educational institutions provide education for 3,000 more children of school age. The Jewish community in Iran, which numbers about 80,000 persons, dates back to the destruction of the First Temple.

TUNISIAN GOVT. HAS NO DESIRE TO CURTAIL JEWISH RIGHTS, ENVOY DECLARES

NEW YORK, June 25. (JTA) -- Ambassador Mongi Slim of Tunisia today assured Dr. Maurice L. Perls, representative of the World Jewish Congress, that his Government had no desire to curtail the opportunities of the Jewish community in his country to exercise the right of association, and that any revision of the statute under which the Jewish community operates would be made only after full and sympathetic consultation with the community.

Recalling that among those who had been interned before independence with President Bourguiba and himself were a number of Jewish leaders who had been in the forefront of the struggle, the Ambassador declared that the Tunisian national movement had been fighting for the freedom of all Tunisians, including the Jews.

Dr. Perls, who had conveyed the apprehensions of many Jewish leaders that contemplated changes reported in the press might establish a precedent which would create difficulties for other Jewish communities facing similar problems. He expressed the hope that these apprehensions were unfounded. The Ambassador undertook to communicate immediately with his government.

NO ANTI-JEWISH FEELINGS IN ALGERIA DESPITE TENSION, LEADER REPORTS

PARIS, June 25. (JTA) -- The situation of Jews of Morocco and Tunisia is "satisfactory as far as their physical safety and equality before the law is concerned," Dr. G.M. Riegner, head of the World Jewish Congress bureau in Geneva, reported today to a meeting of the French section of the WJC. Representatives of Congress organizations in 30 French cities were present.

Jacques Lazarus, head of the WJC in North Africa, reviewed recent events in Algeria and noted that there had been no anti-Jewish incidents despite the continuous state of tension.

M. Vanikoff, reporting on the situation in France itself, recalled Gen. Charles de Gaulle's insistence in the past on full citizenship rights for Jews. He asserted that at the very moment the anti-Semitic forces in France and the remnants of Vichyites were in the opposition to Gen. de Gaulle.

NAZI VICTIMS AROUSED BY BENEFITS GRANTED TO BUCHENWALD TORTURER

MUNICH, June 25. (JTA) -- Former inmates of Buchenwald concentration camp have been deeply aroused by reports that Hans Eisele, an SS doctor in the camp, has been granted certain prisoner of war benefits upon release from prison where he served seven years for crimes against humanity.

Eisele has been accepted as a member of the medical staff of the public health insurance plan at Muenchen-Passing and granted an interest-free loan exceeding the equivalent of \$6,000 to permit him to reestablish his practice.

In the course of his service at Buchenwald, it was proven at his war crimes trial, he poisoned more than 300 camp inmates who were suffering from tuberculosis, and performed unnecessary surgery and amputations on prisoners "to complete his medical education." Eisele was originally sentenced to death, had the sentence commuted to life imprisonment, and was recently freed after serving seven years.

U.S. AND EUROPEAN GROUPS TO MEET ON FATE OF EAST EUROPEAN JEWRY

LONDON, June 25. (JTA) -- The Anglo-Jewish Association has invited the American Jewish Committee and the Alliance Israelite Universelle of France to meet in a joint conference on the question of the Jews of Eastern Europe. This was revealed today in a report of the AJA which also disclosed that the AJA had been in contact with the Spanish Embassy in behalf of a group of Jews of Spanish nationality living in Greece.

These Jews can make material claims against Germany for damage resulting from Nazi action only through the Spanish Government. The AJA was told that the Spanish Government has a restitution agreement with Bonn and "will investigate" the claims of the Spanish Jews in Greece.

On the basis of private information, the report indicated concern for the well-being of Jews in North Africa. On the question of Jews in Egypt, it said that the communities of Cairo and Alexandria are functioning and Egyptian Jews are now suffering only the same disabilities of all non-Moslems in the country.

I.L.O. CALLS UPON ALL STATES TO ELIMINATE DISCRIMINATION IN EMPLOYMENT

GENEVA, June 25. (JTA) -- The International Labor Organization today called on member states to take steps to eliminate racial and religious discrimination in respect to employment and occupations.

The call was in the form of a convention adopted by the general conference of the ILO, which is currently in session. A number of Jewish non-governmental agencies with consultative status at the ILO supported the convention.

A. J. C. RESIDENT ASKS U.S. TO GUARANTEE ISRAEL'S TERRITORIAL INTEGRITY

NEW YORK, June 25. (JTA) -- The United States Government was urged today "to make a public declaration guaranteeing the territorial integrity of Israel and the Arab states." The suggestion was voiced by Dr. Joachim Prinz, president of the American Jewish Congress, prior to his departure for a month-long visit to Israel, following which he will proceed to Geneva to attend a plenary session of the World Jewish Congress executive committee, which will bring together representatives from more than 60 Jewish communities throughout the world.

The Geneva meeting, which will be held July 23-27, will deal with problems affecting Jewish life throughout the world, Dr. Prinz stated. These problems include the grave threat to the position of Jewish communities in the Communist world and particularly in the Soviet Union where a policy of ruthlessly destroying Jewish cultural and communal life is being perpetuated. "It is of decisive importance for the future of the Jewish people," Dr. Prinz stated, "to bring pressure on the Soviet regime so that it will do away with its discrimination against the Jewish minority and grant it the same facilities to maintain its identity that are granted to other minorities in the USSR."

J. N. F. LAUNCHES "TEN TREES FOR ISRAEL" CAMPAIGN IN UNITED STATES

NEW YORK, June 25. (JTA) -- The Jewish National Fund today urged every Jew in the United States to subscribe to the planting of at least ten trees in Israel as a personal tribute to her first ten years of independence and as a means of helping the young nation to rehabilitate large areas of barren and eroded soil for agriculture and immigrant settlement.

The "Ten Trees for Israel" program was launched at a gathering held at the Waldorf Astoria, with Yaakov Morris, Israel Consul in New York, as guest speaker, who brought the official greetings of the Israel Government to the Jewish National Fund. Other speakers were: Dr. Harris J. Levine, president of the Jewish National Fund of America; Albert Schiff, treasurer and chairman of the Special Committee on the Ten Trees for Israel Program; and Mendel N. Fisher, JNF executive director.

HADASSAH SIGNS PACT WITH ISRAEL ON DEVELOPMENT OF YOUTH VILLAGE

NEW YORK, June 25. (JTA) -- Dr. Miriam K. Freund, national president of Hadassah, today announced the signing of a contract with Kadish Luz, Israel Minister of Agriculture, creating a partnership for the management and development of the Junior Hadassah Children's Village of Meier Shfeya near Zikhron Ya'acov.

Henceforth the village will be under the control of a joint board of the Ministry of Agriculture and Hadassah. Hadassah has undertaken to contribute the sum of \$160,000 to the village's budget for the five-year period commencing October 1957.

WORLD CONFERENCE OF JEWISH YOUTH FROM 50 LANDS TO BE HELD IN ISRAEL

JERUSALEM, June 25. (JTA) -- A world conference of Jewish youth from 50 countries will open here July 28, the Jewish Agency announced today. More than 350 representatives of Zionist and non-Zionist youth groups will gather at the four-day parley where they will hear Israel President Isaac Ben Zvi and Agency president Dr. Nahum Goldmann.