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MACMILLAN WILL BE CHIEF SPEAKER AT BRITISH JEWRY'S SALUTE TO ISRAEL

LONDON, Sept. 11. (JTA) -- Prime Minister Harold Macmillan will be the principal speaker at a dinner and ball to be given by British Jewry on November 5 to mark the conclusion of the community's celebrations of the tenth anniversary of the State of Israel. The Prime Minister, who will be accompanied by Lady Macmillan, will offer the toast to the State of Israel.

Mr. Macmillan announced his acceptance of the invitation today to Barnett Janner, president of the Board of Deputies of British Jews, who called on him at No. 10 Downing St.

The Prime Minister's acceptance was described here today as a highly significant indication of a major change in the official British attitude towards Israel. Informed circles commented that it would have been unthinkable some months ago, given the then prevailing status of Anglo-Israeli relations. It was also pointed out that precedents for such a gesture are rare.

Political circles noted that Britain's Middle East policy is now in a state of transition following the collapse of a policy based on a friendly Iraq, and saw a possibility that the recent development of a friendly atmosphere in Anglo-Israel relations might be reflected in the new policy the Government is trying to hammer out.

Improvement in British-Israeli relations was said to date to the recent visit to London of Mrs. Golda Meir, the Israeli Foreign Minister, who conferred here with Mr. Macmillan and Foreign Secretary Selwyn Lloyd. Since then, Israelis have found the British authorities much more receptive and understanding of the Israeli position.

ISRAEL'S TOP FINANCIAL EXPERT ASKS AUSTERITY REGIME TO FIGHT INFLATION

JERUSALEM, Sept. 11. (JTA) -- David Horowitz, the Governor of the State Bank, warned the Israel Government today that it had to tighten its belt, reduce its expenditures and adopt financial measures to encourage austerity among the consuming public.

The financial expert noted that currency in circulation had increased more than 15 per cent in the past 12 months and he was therefore obliged by law to draw this fact to the attention of the Government.

Attributing the increase to both Government and private spending, Mr. Horowitz warned that the rate of expansion of the money supply in recent years had run ahead of the growth of production. Inflationary consumer demands, he said, were resulting in increased expenditures for imports at the expense of investment capital.

The State Bank's governor recommended that the Government and private agencies adhere closely to their budgets. Where increases became necessary--as, for example, with regard to current defense requirements--he said, they should be offset by reductions in other directions.

Mr. Horowitz urged the Government to restrict bank credits to the public to encourage savings, and to freeze wages and other personal income.

EBAN CONFERS WITH STATE DEPT. AIDE ON ISRAEL ECONOMIC SITUATION

WASHINGTON, Sept. 11. (JTA) -- A review of Israel's economic situation was provided to C. Douglas Dillon, Undersecretary of State for Economic Affairs, today by Israel Ambassador Abba S. Eban.

Mr. Eban discussed with Mr. Dillon Israel plans for the new fiscal year. He outlined hopes for a continued program of economic cooperation and assistance.

Israeli productivity gains were reported as well as problems still facing the Israeli economy.

ISRAEL AND HAITI ESTABLISH DIPLOMATIC RELATIONS ON EMBASSY LEVEL

JERUSALEM, Sept. 11. (JTA) -- The Foreign Ministry announced today establishment of diplomatic relations on the embassy level between Israel and the Republic of Haiti. David Shaltiel, Israel Ambassador to Mexico, will be accredited to Haiti. Price Mars, Haitian Ambassador to France, will be accredited to Israel. No resident Ambassadors are expected to be exchanged for some time.

VATICAN AIDE SAID TO PROTEST ISRAELI LAW ON REGISTRATION OF JEWS

TEL AVIV, Sept. 11. (JTA) -- The newspaper Haboker asserted today that the Vatican's representative in Israel, Msgr. Vargani, had submitted a written protest against the new Israeli registration regulations which permit anyone who considers himself a Jew to register as a Jew. The churchman was understood to have taken the position that to permit registration as a Jew without the religious ceremony was tantamount to inviting non-Jews to become Jews.

The Israeli authorities, according to the paper, consider the entire question as an internal matter for Israel and expect no foreign intervention.

THREE NATION FISHING COMPANY FORMED TO SUPPLY ISRAEL MARKET

JERUSALEM, Sept. 11. (JTA) -- A joint Israel-Japanese-Swiss fishing company has commenced operations in South Atlantic waters, catching tuna and other fish for the Israel market, the Ministry of Commerce announced today.

The company, set up during the recent visit of Commerce Minister Pinhas Saphir to Japan, has one ship, the Shimu Maru, at work and will obtain other fishing craft in Japan, as well as a large mother ship equipped to clean and freeze the fleet's catch.

The Shimu Maru is expected to put in at Haifa in October to take aboard a number of Israeli sailors to be trained in deep sea fishing. The Japanese partners in the venture are now in Israel seeking additional capital investment for the company.

NOTED INDIAN SOCIALIST DIFFERS WITH NEHRU STAND ON ISRAEL

TEL AVIV, Sept. 11. (JTA) -- An outstanding Indian Socialist and land reform leader, J. P. Narayan, said here today that while he understood the difficulties facing Premier Jawaharlal Nehru in his Middle East policies, he could not agree with his attitude to Israel, to which he has refused to extend diplomatic relations.

Mr. Narayan, who is visiting Israel and meeting leaders of the country, said the day was not far off when Indian-Israel relations would be established.

CLARENCE PICKETT, QUAKER LEADER, OFFERS ISRAEL-ARAB PEACE PLAN

NEW YORK, Sept. 11. (JTA) -- A proposal for settlement of the Arab-Israel conflict on the basis of Israel's acceptance of a "limited number" of Arab refugees, internationalization of Jerusalem and definition of the borders of the Jewish State and the neighboring Arab states was advanced here by Clarence E. Pickett, former head of the American Friends Service Society which has been active for many years in refugee relief work.

The Quaker leader, who viewed as "essential" to Middle East political and economic stability an Arab-Israel peace pact, made his proposals in a letter to the Wall Street Journal. For Arabs not repatriated, Mr. Pickett suggested equitable compensation. He recommended that Jerusalem and its environs be internationalized as recommended by the United Nations General Assembly in 1947 and that both Israel and the Arab states participate in the administration of the internationalized region.

After peace is established, he continued, special consideration should be given to economic development projects, including harnessing and using the waters of the Jordan River. To achieve these ends, the Quaker leader concluded, the United States should initiate in the UN an effort to obtain agreement among the powers.

WORLD LIBERAL PARLEY HAILS U. N. PROPOSAL FOR MIDDLE EAST SOLUTION

COPENHAGEN, Sept. 11. (JTA) -- The Liberal International, an association of middle class parties in various nations of the world, welcomed the United Nations General Assembly resolution attempting to ease tension and avoid conflict in the Middle East. Its views on the region were expressed in a resolution adopted at the close of its annual congress here.

The Liberal International resolution urged a "resolute effort" by the nations of the world to promote a peaceful settlement of differences among the peoples of the Middle East. Guarantees of territorial integrity of all countries in the region are a prerequisite for the restoration of peace, the resolution added.

SOVIET JURIST BACKS ARAB DEMANDS FOR 12-MILE SEA LIMIT

LONDON, Sept. 11. (JTA) -- A Soviet jurist, writing in Izvestia, official Soviet Government organ, supported Saudi Arabian and Egyptian claims to sovereignty over territorial waters to a 12-mile limit today to bolster his contention that a body of precedent existed for Communist China's proclamation of a 12-mile limit. The Arab states claimed territorial jurisdiction as a pretext for interference with Israeli shipping in the Gulf of Akaba.

MOSCCOW CONTINUES ANTI-ISRAEL INCITEMENT IN ARABIC BROADCASTS

LONDON, Sept. 11. (JTA) -- The Soviet Near Eastern Service broadcast in Arabic today that "Israel recently received a new consignment of American arms. The Israeli Government has asked the United States for more military equipment, and it has permitted the U.S. Air Force to make use of its air space as a bridgehead for attacking the Lebanese people."

NASSER REPORTEDLY ASKS BUFFER ZONE AROUND ISRAEL'S BORDERS

LONDON, Sept. 11. (JTA) -- President Gamal Abdel Nasser has proposed to Secretary General Dag Hammarskjold creation of a buffer zone one hundred yards deep around all of Israel's land borders, to be patrolled by a force of 6,000 United Nations guards, London newspapers reported today from Cairo. The proposed zone would be fifty yards within Israel territory and fifty yards in Arab territory.

President Nasser made this proposal during Mr. Hammarskjold's recent visit to Cairo the newspapers said. The London Daily Telegraph and the London Daily Mail quoted Emile Bustani, millionaire member of the Lebanese Parliament and a close friend of Nasser, as the source for their information.

The Egyptian dictator, according to this source, in his talks with the UN executive, emphasized four points: first, the Arabs have no aggressive intentions toward Israel and have given up "for the moment," their dream of "driving the Israelis into the sea"; second, he wants to prevent Israel's occupation of the west bank of the Jordan River which he is convinced Israel will carry out the moment British troops are withdrawn; third, he is interested in peace for the Middle East and a United Nations buffer zone is the only way to prevent war; fourth, he is prepared to cooperate with the Lebanese regime after President Chamoun's retirement.

M. Bustani quoted Nasser, according to the press reports to the effect that certain politicians in France, Britain and the United States were encouraging Israeli aggression. Nasser, he said, expressed the view that should Israel attack Jordan, war would be imminent.

HAMMARSKJOLD FAVORS STAND-BY U.N. FORCE MODELED ON GAZA PATROL

UNITED NATIONS, N. Y., Sept. 11. (JTA) -- Creation of a stand-by United Nations peace force, based on the world organization's experiences with the United Nations Emergency Force, was officially advocated to the General Assembly today by Secretary General Dag Hammarskjold.

Mr. Hammarskjold filed his introduction to his annual report to the Assembly which will convene next Tuesday. Sizeable sections are devoted to the Middle East, UNEF and the proposal for a stand-by peace force.

In another section of the introduction, discussing the Middle East in general as well as U.N. negotiations toward world disarmament, Mr. Hammarskjold conceded that "the past year may seem to have been characterized by a lack of progress, or even by setbacks." However, he declared, "it is unwise to judge the course of developments in too short a perspective," adding a hint that some solutions may be in the offing by telling the Assembly that "the essence of political change may not be immediately apparent in the public record of day-to-day events."

JEWISH COMMUNITIES DENY POLISH GOVT. MEDDLES IN RELIGIOUS ACTIVITIES

VIENNA, Sept. 11. (JTA) -- The Central Committee of Jewish Religious Communities in Poland has publicly repudiated charges that the Polish Government had interfered in Jewish religious activities and asserted in a statement published in the Warsaw Yiddish daily, Folkshtimme, that "all religious needs of the Jews in Poland are being met."

The statement, signed by Isaac Fraenkel, president of the committee, appeared in copies of the newspaper received here today. It asserted that every Jewish community in Poland has a mikvah (ritual bath), that 13 ritual slaughterers have been trained at Wroclaw and that any parent who wants his child to have a Jewish education can arrange it.

TUNISIAN AUTHORITIES HALT EXHUMATION OF REMAINS IN JEWISH CEMETERY

TUNIS, Sept. 11. (JTA) -- The Tunisian authorities have halted the exhumation work in the Jewish cemetery of Tunis they began two months ago in preparation for conversion of the cemetery site into a public park.

The Tunis municipal authorities insisted on condemnation of the cemetery site in the center of the city and the Tunis Jewish community has appealed to the courts to affirm its ownership.

The municipality authorities had agreed that the exhumation would be conducted with full respect of Jewish religious regulations and customs, but as a result, the work is taking longer and costing more than had been anticipated. The city authorities are now seeking, in talks with the community leaders, some way of expediting the work.

HUNGARY ALLOWS SYNAGOGUES, RELIGIOUS SCHOOLS TO FUNCTION

NEW YORK, Sept. 11. (JTA) -- Rabbi Harold H. Gordon, executive vice-president of the New York Board of Rabbis, who visited Budapest, Szeged, Debrecen and Miskolc, the major centers of Jewish residence in Hungary, as well as numerous small towns, said today that despite its atheistic policies, the Communist Government of Hungary is allowing synagogues and religious schools to function.

The Jewish Theological Seminary of Budapest is open, and permission has been granted for the establishment of an additional seminary. Rabbis and other religious functionaries carry on their activities in all major communities, and provision for the observance of the dietary laws is granted, Rabbi Gordon said. There is no Hebrew or Yiddish press in the country, but there is a Hungarian language Jewish newspaper published by the Jewish community. The government has also allowed the importation of prayer books and religious objects.

Rabbi Gordon found the Jewish religious situation in Hungary in sharp contrast to that which obtains in the Soviet Union where few synagogues are in use. There are as many synagogues for the 80,000 Jews of Hungary as for the nearly three million Jews of Russia, he pointed out. Primary religious education in the Soviet Union is non-existent, while in Hungary it is to be found, in some measure, wherever there is a Jewish community.

Continuing the comparison, Rabbi Gordon noted that in Russia, there is no such thing as a Jewish community organization; the synagogue is the only Jewish institution permitted to function, and its activities are limited to ritual and prayer. In Hungary, however, the old Jewish community structure is still in operation. Russia has expropriated many synagogues; Hungary, very few.

In reference to the question of Israel, Rabbi Gordon found, Hungarian Jews tread carefully. The general Communist campaign of discrediting Israel which has been reflected in the Hungarian press makes Jews wary of the subject. The enforced separation between Hungarian Jews, many of whom have relatives in Israel, and Israeli Jews "does violence to natural family feelings and it is unnatural to impose a barrier of silence between them," the New York rabbinical leader stressed.

W. J. C. PRESSES U. N. TO COMPLETE WORK ON HUMAN RIGHTS COVENANTS

UNITED NATIONS, N. Y., Sept. 11. (JTA) -- The United Nations was pressed today to speed up its work on the draft covenants on Human Rights as a spur to worldwide progress in the field. The plea was made by the World Jewish Congress here.

In a statement issued on the eve of the 13th General Assembly, Dr. Israel Goldstein, chairman of the WJC western hemisphere executive, pointed out that completion of work on the draft documents would be an "encouraging sign" of positive action in behalf of human liberties. Encouragement was needed, he indicated, because "no progress had been made in the field of the observance of human rights" recently and there had been, "if anything," a retreat in this area.

In 1954 the Human Rights Commission of the UN prepared two separate covenants, one on political and civil rights, the other on economic, social and cultural rights. A point-by-point review in the past three years has made little progress and there is little likelihood that at the present pace the covenants will be completed at this Assembly session.

ISRAELIS VIEW ECONOMIC CONSOLIDATION AS DEFENSE MEASURE, SCHWARTZ SAYS

NEW YORK, Sept. 11. (JTA) -- The people of Israel regard economic consolidation as a major element in their capacity to defend themselves, Dr. Joseph J. Schwartz, executive vice president of the Israel Bond Organization, declared here today at an all-day conference of the Women's Division of the Greater New York Israel Bond Organization.

The parley kicked off a special effort by the women to sell \$1,000,000 in bonds before the end of the year. Major organizations represented in the discussions at the day-long session included Hadassah, the Women's Zionist Organization of America, Mizrahi Women, Pioneer Women and the Women's Division of the American Jewish Congress.

Dr. Schwartz, who attended the recent international Israel bond conference in Jerusalem, reported that the Jewish State is "on the threshold" of a five-year plan to boost the economy to a level which will support a population of 2,500,000. With the help of Israel bond sales, he continued, Israel plans to double her present export total and sell overseas \$400,000,000 worth of goods and services by 1964.

"Anyone visiting Israel today is immediately impressed with the fact that she is the strongest and most reliable friend of democracy in the entire Middle East and that she stands almost alone in the path of Soviet efforts to bring the entire region under complete Communist domination, Mr. Schwartz said.

CZECHS TO ERECT MEMORIAL TO THEODOR LESSING, VICTIM OF NAZI GUNMEN

VIENNA, Sept. 11. (JTA) -- The Czechoslovak authorities have decided to erect a memorial at Marienbad to Theodor Lessing, German-Jewish philosopher, teacher and writer, who was assassinated by Nazi gunmen in that town in 1933. Prague newspapers reported the Government action was taken in connection with the 25th anniversary of Lessing's death.