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### STATE DEPT. TO REINSTATE GRANT AID FOR ISRAEL, UNDERSECRETARY INDICATES

WASHINGTON, May 6. (JTA) -- C. Douglas Dillon, Undersecretary of State for Economic Affairs, has indicated to the Senate Foreign Relations Committee that the State Department would probably reinstate grant aid for Israel. He made it clear that the Department would be acting because of "psychological" considerations rather than for economic reasons.

The Dillon statements on the grant issue were revealed today, when the Senate Committee made available the record of Dillon's latest testimony at a hearing previously designated as secret. Mr. Dillon said: "From an economic point of view, strictly the point of view of economics, we can do for the State of Israel everything that we feel is required by economics under the Development Loan Fund and Public Law 480 (surplus food sales), and a grant program in addition is not strictly necessary."

The Undersecretary of State told the Senate Committee that the grant program for Israel had 'assumed a greatly enlarged psychological importance, both in certain quarters in this country and also abroad. There was some feeling that the fact that this was omitted, that we had lessened our interest in the problems affecting Israel. Because that is a new element in the situation, we will make an attempt to reinstate a modest, as it always has been, grant program."

Mr. Dillon said that, in some places, a misunderstanding arose that, since Israel was left out of the grant program, "there was some diminishment of our interest in the State of Israel politically and otherwise." He told the committee: "There is no such diminishment, and this is a new development which we had not expected when the program was formulated, this political and psychological fact, so we intend to make every effort to use the flexibility in the program to see if, when we administer it, if we can't reinstate some sort of grant program for Israel to counter that situation."

### Sen. Morse Obtains Commitment from State Dept. on Israel Aid

Sen. Wayne Morse, Oregon Democrat, raised the Israel issue and said there had been considerable criticism of the State Department. He said: "A charge has been made that it does show, apparently, a psychological attitude of unfair discrimination against Israel, and I wanted to give you this opportunity to nip that one in the bud." Sen. Morse sought to obtain a clear commitment from Mr. Dillon to reinstate Israel.

The commitment he obtained was stated by Undersecretary Dillon as follows: "We will make every effort, when it comes to the time to actually put this program into operation, to remedy this psychological and political feeling that there was some intent, which is not the case, to show a lack of interest in the State of Israel, and we will make an attempt to institute a grant program under the special assistance category."

The initiative in obtaining the commitment on Israel came from Sen. Morse, and it was the Oregon Senator who pursued the matter at the hearing. In tracing the Israel aid situation, Mr. Dillon conceded that, in the program previously put before the Senate committee, "there were no funds listed in special assistance for Israel."

Mr. Dillon explained that Israel was dropped because "last winter, when the budget was prepared, there was great pressure to hold it to as low a figure as possible, and it was our feeling economically, which I think is the fact fully justified, that the assistance that Israel requires could be given to her from an economic point of view equally well through public development loan funds."

Sen. Russell B. Long, Louisiana Democrat, told Undersecretary Dillon: "I just don't know of any country with a comparative size... that this country has done a fraction as much for on a per capita basis as we have done for Israel." Sen. Long estimated U.S. assistance to Israel totalled one billion dollars. Mr. Dillon said this estimate was "very true" but pointed out that "there were large private funds."

Sen. Long said he was distressed "to find that some would contend that we are mistreating Israel when we have actually, I suppose, on a per capita basis, managed to have done about eight, nine, or ten times as much as we have done for the others on the

average. I certainly hope that we don't find ourselves with even the Israelis disliking us, with all the efforts we have gone to of trying to be their friends."

Undersecretary Dillon emphasized that he thinks "the Israelis have had very little complaint, and have understood our position in this thing. They have not been among the major complainers on this subject," he told the committee.

Sen. Long held that "it certainly would be a poor reward for our billion dollars to find we were not even liked there by that small nation." Mr. Dillon told him he did not think that was the case.

#### U. S. TREASURY DEPARTMENT SEEKS TO ENCOURAGE INVESTMENTS IN ISRAEL

WASHINGTON, May 6. (JTA) -- American investors would be encouraged to make investments in Israel under a new concept which gained impetus today when the U. S. Treasury Department said it would support a Congressional move to provide tax relief for American businessmen specifically to encourage investment in the Middle East and other underdeveloped areas.

The Treasury Department's position was outlined in a report to the House Ways and Means Committee. The committee originates all tax legislation. The Treasury Department said it would favor use of tax incentives "to promote flow of U.S. capital into the less developed regions of the free world." The Middle East was specially mentioned and it was clear that the State of Israel was included.

The moves that the Treasury Department would support included deferral of tax on income derived by a business corporation which obtains substantially all of its income from investments in one or more of the less developed areas of the world; ordinary loss treatment for losses incurred by original investors on stock of such corporations; and early implementation of principle of tax sparing in order to make it possible for American firms investing in underdeveloped countries to benefit from tax inducements offered by such a country to attract new capital.

At the same time, the U. S. Export-Import Bank today announced that "no additional applications for loans of Israeli pounds out of the proceeds of the commodity sales agreement of November 6, 1938," by the bank under the Agricultural Trade Development and Assistance Act (public law 480) "will be accepted by the bank in Washington or by the United States Embassy in Tel Aviv after May 31, 1959."

The bank's announcement said: "Applications now on file for loans in Israeli pounds already exceed the maximum amount of Israeli pounds which the bank expects to have available for lending in its second program for Israel. Credits authorized by the Export-Import Bank in its first Israel program virtually exhausted the Israel pounds then available to the bank."

#### TREATMENT BY MOROCCAN POLICE OF ARRESTED JEWS CONDEMNED IN ISRAEL

TEL AVIV, May 6. (JTA) -- The arrest of Moroccan Jews trying to emigrate from Morocco to Israel, and the treatment these Jews are receiving from police authorities, are roundly condemned in the Israeli press. Authenticated reports have shown that Moroccan Jews, detained by authorities for attempting to leave the country without proper documents, are being treated as "escaping prisoners."

There is no denying that some of the detained Moroccan Jews tried to use forged passports. But the very fact that illegal exit is attempted, declares the press here, disproves the Moroccan Government contention that Jews are permitted freely to leave.

Editorials point out that the police treatment of the arrested Jews is "far removed from the accepted standards of police procedure in civilized parts of the world." The press here calls on world Jewry to try to exercise its influence toward the opening of the Moroccan gates for Jews wishing to emigrate.

#### RUMANIA PERMITS NON-JEWS TO EMIGRATE; HOPE HELD FOR JEWS

VIENNA, May 6. (JTA) -- Reports reaching here today from Rumania said that the Rumanian Ministry of Interior decided to permit emigration of non-Jews from the country who have relatives abroad, including the United States. The first 150 non-Jewish families have already received exit visas, the reports stated.

The news evoked hope that the Rumanian Government will resume the issuance of exit visas also to Jews having relatives abroad, especially in Israel. Western diplomats interpreted the move as a "good will" maneuver, coinciding with the coming Big Four foreign ministers meeting in Geneva.

#### GERMAN COURT REJECTS APPEAL FOR RE-TRIAL OF "BUCHENWALD BUTCHER"

KARLSRUHE, May 6. (JTA) -- The Federal Supreme Court yesterday rejected an appeal for a re-trial of Martin Summers, the "Butcher of Buchenwald." Summers was sentenced last July by a court in Byeruth to imprisonment of 25 years to life, for his savage murders of concentration camp prisoners.

## JEW KILLED IN ALGERIAN TOWN BY MOSLEM TERRORISTS: SECOND MURDER

ALGIERS, May 6. (JTA) -- For the second time in the last few months, a Jew has been murdered by Moslem terrorists in the town of Laghouat, according to word received here today. Laghouat, about 190 miles south of this city, has a Jewish population of 40 families.

## UNEMPLOYMENT RISES AMONG JEWS IN MOROCCO: JEWS REPLACED BY MOSLEMS

LONDON, May 6. (JTA) -- Unemployment is on the increase among Jews in Morocco, according to information received here today. Skilled artisans among the Jews are now finding it as difficult to get work as the unskilled workmen.

The rise in Jewish unemployment is reportedly due in part to the fact that the French have departed, leaving Moslems in charge in many places where they have dismissed Jews in favor of Moslem workers. This is true not only in private enterprise, but in government employment as well.

Recently, five Jewish Government employes in Marrakesh were dismissed, when Moslems had been trained as replacements, the report received here states. Another factor in Jewish unemployment is the recent decline in the Moroccan building industry.

## WORLD TENSION MAY LEAD TO INCREASED ANTI-SEMITISM, W. J. C. IS TOLD

VIENNA, May 6. (JTA) -- A warning that anti-Semitism is likely to arise during periods of deep, global stress, when some forces try to use the Jew as a scapegoat, was voiced here last night by Israel Sieff, of England, chairman of the European executive committee of the World Jewish Congress. Mr. Sieff addressed the opening session of a two-day executive meeting, during which plans are being finalized for the WJC world meeting to be held in Stockholm this summer.

When world statesmen are pre-occupied with issues arising during the atomic age, Mr. Sieff stated, other elements veer toward anti-Semitism in their search for relief from world problems. In such a period, he declared, anti-Semitism does not meet the resistance it would find in a period of lesser anxiety. Such is the situation, Mr. Sieff said, in the American South, in Germany and in France. In other areas, like Morocco and Tunisia, a newly emerging nationalism is creating problems for the Jewish population.

In regard to attendance at the Stockholm congress, Mr. Sieff said, there were no new developments as to whether Soviet Jewry will be represented. Earlier reports that Russia would allow Soviet Jews to attend the Stockholm meeting were denied later by the Soviet Union. Mr. Sieff stated there was reason to hope that Polish and other East European Jewish communities would be represented at Stockholm.

The delegates to the sessions here were greeted by Dr. Emil Maurer, president of the Federation of Jewish Communities in Austria, who pointed out that the Jews in this country number only 10,000, against a Jewish population of 200,000 before World War II. Dr. A. Steinberg, director of the WJC cultural department, told the executive committee of the need to place before the Stockholm congress plans for solidifying the Jewish people as a spiritual and cultural entity.

## EDITORS AND PUBLISHERS OF ENGLISH-JEWISH PRESS TO MEET IN NEW YORK

CHICAGO, May 6. (JTA) -- Editors and publishers of leading English-Jewish weeklies throughout the United States will hold their annual convention next week in New York, it was announced here today by J. I. Fishbein, president of the American Association of English-Jewish newspapers. The convention will open at the Park Sheraton Hotel, May 14.

Mr. Fishbein, who is the editor and publisher of the Chicago Sentinel, said that the keynote of the meeting will be "how to make the Jewish press better serve the needs of the American Jewish community." One of the highlights of the sessions will be a luncheon with the President's Club, representing the 17 national Jewish organizations. Philip Klutznick, president of B'nai B'rith, will present the point of view of the community, while Philip Siomovitz, editor and publisher of the Detroit Jewish News, and Jacques Back, publisher of the Nashville Jewish Observer, will speak on behalf of the press.

Other features of the convention, which represents the only body of publications serving the American Jewish community, will be a dinner honoring the editors of the Jewish Telegraphic Agency to be held Thursday evening. In addition, the Jewish newspapermen assembled will engage in a series of seminars dealing with the usual problems confronting the press as a whole: circulation building, editorial improvements, the solicitation of advertising, and other problems.

In addition to Mr. Fishbein, other officers of the Association are: vice presidents, Joseph Weisberg, Boston Jewish Advocate; Morris Janoff, Jersey City Jewish Standard; and Albert W. Golomb, Pittsburgh Jewish Outlook; James Wisch of the Texas Jewish Post, secretary; and Adolph Rosenberg, of the Southern Israelite in Atlanta, treasurer.

## REFORM JEWS SEEK ELIMINATION OF BIAS IN HOUSING: SUBMIT TESTIMONY

CHICAGO, May 6. (JTA) -- The Union of American Hebrew Congregations, parent body of American Reform congregations, today urged the appointment of a Presidential Committee to recommend "a complete program for the elimination of discrimination in Federal Housing and urban renewal programs."

The proposal was made in a statement submitted to the hearing on housing of the Federal Commission on Civil Rights by Rabbi Richard G. Hirsch, director of the Chicago Federation of the UAHC. The statement was endorsed by the Chicago Rabbinical Association.

Asserting that the shortage of adequate housing was "at the root of the housing problem," the UAHC urged federal and local housing administrations to increase the supply of public and private housing, "particularly for lower and middle-income families."

Rabbi Hirsch charged that present public housing "frequently results in the perpetuation and intensification of segregation," and that the UAHC therefore recommended a limitation on the size of housing projects and that the site "be such as to permit the residents to become integrated into the total community. One of the major objectives should be to strive for a mixed rather than a uniform racial community pattern."

### Washington Officials Charged with Practicing Discrimination

The UAHC urged abandonment of the policy of allowing state and local laws to determine whether the Federal Government "will lend financial support and sanction to segregated housing." Charging that policies of federal housing agencies "have aided and abetted discrimination," the UAHC declared that "these policies should be renounced and clauses should be inserted in every legislation, code and policy procedure committing everyone involved in the disbursement or the receipt of any federal funds to observe a firm policy of no discrimination."

The UAHC said all Government officials, elected or appointed, should themselves demonstrate in their own sale, purchase or building of their own housing practice of anti-bias policies. The UAHC asserted that "some of our most prominent officials are themselves parties to 'gentlemen's agreements'." The Federal Government, having jurisdiction over the District of Columbia, "should set the example for all states by enforcing the laws against discrimination in housing in Washington, D. C."

The Civil Rights Commission was urged to ignore the debate about "which comes first, law or education," as "futile" by the UAHC which added "a human society needs -- both." The Commission was urged to recommend the adoption of state and local legislation to prevent bias in housing.

## \$1,003,000 IN ISRAEL BONDS SOLD AT MIAMI FAREWELL DINNER FOR EBAN

MIAMI, May 6. (JTA) -- A record sale of \$1,003,000 worth of State of Israel Bonds was chalked up here at a farewell dinner tendered Israel's American Ambassador, Abba Eban. According to the leadership of the bond campaign here, the sum is the largest ever subscribed at a single event here.

Thanking Miami Jews for their support of Israel's efforts to achieve economic independence, Ambassador Eban in his address asserted that it was this kind of aid which has made it possible for Israel in the eleventh year of its existence "to advance along her second decade in manifest triumph."

"Israel's security and her international status are now in better equilibrium than ever before. I lay down my task in Washington at a time when the United States and Israel stand close together in counsel and ideas," he said. He added that Israel's friendships in America and Europe were being reinforced "by the growing network of our contacts in Africa and Asia."

## ARGENTINE JEWS AND ISRAELI INDUSTRIALISTS OPEN BANK IN BUENOS AIRES

BUENOS AIRES, May 6. (JTA) -- A new industrial and commercial bank, in which Argentine Jewish shareholders of the Agrobank Buenos Aires and the Koor Industries of Israel are equal partners, was announced here today. The Agrobank was merged into the new bank.

The new bank has a capital of 1,000,000 Israel pounds which makes it possible for Latin American investors to use the bank's facilities for current transactions with Israel. Alfredo Korn, president of the new bank, and Moises Rabinovich, board member, said the new institution plans to open branches in various Argentine cities.

## CHILEAN CONGRESS APPROVES NAMING A STREET IN CAPITAL FOR ISRAEL

SANTIAGO, Chile, May 6. (JTA) -- Congress today approved plans to name one of the city's streets the Avenue Republic of Israel. The official name-designation ceremony will be held during the state visit of Israel's Foreign Minister, Golda Meir, in June.