



Jewish Telegraphic Agency

DAILY NEWS BULLETIN

660 FIRST AVENUE

NEW YORK 16, N.Y.

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Vol. XXVI No. 138 - 41st year

Monday, July 20, 1959

ISRAEL CABINET DELAYS ACTION ON SUEZ CRISIS; BEN GURION ABSENT

JERUSALEM, July 19. (JTA) -- The Israel Cabinet met today under the chairmanship of Finance Minister Levi Eshkol, and decided to defer its planned complaint to the United Nations Security Council against Egypt's violations of free passage of ships and cargo through the Suez Canal.

Premier David BenGurion, who was expected to resume chairmanship at today's Cabinet meeting, did not attend the session. He was still on leave of absence from his premiership duties. His absence may account for the decision to defer action on the Suez Canal issue.

There were also some reports here indicating that the Cabinet had second thoughts on the efficacy of a move before the Security Council, in view of the advice to Israel by the Western Powers and the United Nations Secretariat to wait at least until direct contact is established between the Israel delegation to the United Nations and UN Secretary General Dag Hammarskjold upon the latter's return to New York.

At today's Cabinet meeting a report on the developments since Mr. Hammarskjold's talk with Egyptian President Nasser in Cairo was presented by Walter Eytan, Director General of the Foreign Ministry. (In London, the International Confederation of Free Trade Unions expressed concern over seizure of Israeli cargoes from ships of various nations as they sought transit of the Suez Canal. It pointed out that freedom of the seas and international waterways was an "indispensable prerequisite" for international trade.)

BEN GURION ABANDONS FORMATION OF NEW CABINET; BLAMES ELECTION SYSTEM

JERUSALEM, July 19. (JTA) -- Premier David BenGurion was reported here today as having decided to discontinue his efforts to form a new Cabinet after meeting during the week-end with leaders of the General Zionists and other opposition groups and hearing their negative attitude to support a "minority government" to be composed of the Mapai, Progressives and neutral experts.

It is expected that he will report his unsuccessful efforts to President Itzhak Ben Zvi, whereupon the only possibility remaining is to continue the resigned Cabinet as a caretaker government till the national elections in November.

Mr. Ben Gurion placed the blame yesterday for Israel's current government crisis on the proportional representation system which, he said, deprived members of the Knesset, Israel Parliament, of any feeling of direct responsibility to the voters.

Now heading a shattered coalition caretaker regime and seeking support for a minority government to run the country until general elections on November 3 establish a new government basis, Mr. BenGurion told the election committee of his Mapai Party that the election system must be changed to a regional, constituency system in which Knesset members would have direct and personal contact with their electors. Under the present system, he asserted, the elected deputies had no feeling of direct responsibility to the voters and the Knesset was detached from the nation.

Abba S. Eban, former Israel Ambassador to the United States and a Parliamentary candidate on the Mapai slate, was warmly greeted when he appeared at the meeting in an open-collar shirt instead of his customary formal attire. Mr. Ben Gurion introduced him as "the greatest emissary of the Jewish people since the death of Dr. Weizmann."

The former envoy's career on the political platform had been launched earlier in the day when he addressed a Mapai Party rally of middle-class settlers in southern Israel. He told them that Israel's sovereignty and existence were assured by virtue of the fact that the nations of the world shared the fear that any local outbreak might lead to world war and that, therefore, the status quo would be maintained in the Middle East, Korea and Berlin.

At a public meeting today Mr. Eban voiced a plea to end wrangling with world Jewry. He stressed that the current ideological controversy was both unrealistic and redundant. Speaking to an overflow audience at his first appearance in Jerusalem since his return from his tour of duty in the U.S., Mr. Eban said there was no fear that Jews in countries outside of Israel would neglect Israel.

ROTHSCHILD GROUP GETS CONCESSION ON ISRAEL PIPELINE; INVESTS \$20, 000, 000

TEL AVIV, July 19. (JTA) -- Finance Minister Levi Eshkol, on behalf of Israel, signed an agreement this week-end with Baron Edmund de Rothschild, head of a group of foreign investors, for a 49-year concession on a 16-inch pipeline between Elath, at the Gulf of Akaba, and the oil refineries at Haifa, on the Mediterranean Sea.

The agreement, signed in Premier David BenGurion's office here, with the Premier an interested spectator, must be ratified by the Knesset, Israel's Parliament, which will have to vote a law authorizing the concession grant. The de Rothschild syndicate will invest some \$20, 000, 000 in the project. In exchange, the Government will hand over the pipeline to it on July 1, 1960. At that time, the line is expected to have a carrying capacity of 1, 700, 000 tons of oil a year.

The 16-inch pipeline has already been laid from Haifa to Beersheba and work is now proceeding on the Beersheba-Elath section, now served by an eight-inch line. With the construction of additional pumping equipment along the line, it is expected that the capacity will be increased to 5, 000, 000 tons a year.

Under the terms of the concession, the Israel Government guarantees the investing group an eight percent return on their investment. Baron de Rothschild, who arrived here by air to sign the agreement, left by air for Paris immediately after the formalities were completed.

SOCIALIST INTERNATIONAL CONFERENCE IMPRESSED WITH SHARETT'S VIEWS

HAMBURG, July 19. (JTA) -- Israel's former Prime Minister and Foreign Minister Moshe Sharett is emerging as a central figure in the sixth session of the Socialist International Conference here and his participation in discussions of the situation in the Middle East is carrying weight among many leading delegations.

Mr. Sharett told the conference that Israel could be counted on to make good her obligations to contribute to compensation payments for abandoned Arab property and might re-admit additional numbers of refugees by extending the family reunion scheme now operating. He also outlined other aspects of the Arab-Israel conflict.

Mr. Sharett's address was strongly applauded by European, African and Asian delegations, while Hugh Gaitskell, of the British Labor Party called the talk "an exemplary, illuminating analysis." The former Israel Prime Minister, in a comprehensive survey of Middle East problems, asked the International to decide "neither for Israel nor for the Arab countries but for peace."

Mr. Sharett asked that arms deliveries to the Middle East should be limited to those for defensive purposes and that freedom of international waterways should be unconditionally guaranteed. He called on the International to work out plans for constructive development in the area and asked for an active policy regarding the Arab refugee problem. Refugee suffering caused by the Arab states must be remedied by resettlement, reintegration and rehabilitation among the Arab countries, Mr. Sharett declared.

Aneurin Bevan, British Labor Party leader, told the conference that the first objective in the Middle East for socialists was to prevent the area from becoming entangled in the rivalries of the Great Powers. He declared that the overwhelming danger in the Middle East was that one of the recurrent crises might trigger a third World War. Conflicts between the Arab states and Israel serve to aggravate the existing cold war and Arab hostility toward the West, Mr. Bevan declared.

The British Labor Party leader also told the conference that the troubled area was badly in need of economic development and the gradual amelioration of local disputes such as the Arab-Israel question. The creation of a fund, derived from increased royalties from the oil companies and from outside contributions, was suggested by Mr. Bevan for the development of the Middle East as a whole.

VANDALS PAINT SWASTIKAS ON COLUMBUS SYNAGOGUES; BURN MUSEUM PAINTINGS

COLUMBUS, Ga., July 19. (JTA) -- Anti-Semitic vandals this week-end painted huge swastikas with the words "Heil Hitler" on two Jewish houses of worship here and burned thousands of dollars worth of paintings at the Columbus Museum of Arts and Crafts, police reported today.

After destroying the paintings at the Museum, the vandals painted the same swastikas on the museum as had been painted on the Columbus synagogues. Authorities estimated the damage to the art works at several thousand dollars. They were attempting to assess the number of paintings burned and damage done. Local police tended to dismiss the incident lightly, stating it had nothing to do with prejudice but was only vandalism.

There are only about 1, 000 Jews in Columbus. Local Jewish leaders are abstaining from commenting on the incidents. Among the burned paintings were art works that were a part of a prize-winning exhibit from New York.

J. D. C. SPENT \$27,700,000 LAST YEAR IN 25 COUNTRIES; AIDED 200,000 JEWS

NEW YORK, July 19. (JTA) -- More than 200,000 men, women and children received assistance of one kind or another from the Joint Distribution Committee during last year, according to the 1958 annual report issued by the JDC today. Of this group, more than 100,000 were in Moslem countries, principally North Africa and Iran. Assistees also included some 57,000 in Europe, 40,000 in Israel, and more than 4,000 in such other areas as Australia.

"Perhaps the most notable single development of 1958 was the assistance which JDC had undertaken to provide to Jews in Poland," the report states. "Since December 1957, when JDC resumed its activities in Poland, JDC aid has reached some 22,000 individuals."

Turning to the Moslem world, the summary indicates that while "relative quiet continued for the vast majority of Jews living in the Moslem world, a sense of insecurity continued to prevail for men, women and children living under the shadow of Arab nationalism. "Quite naturally, this feeling was at its strongest in Egypt. But it was perceptible even in Tunisia where there is no discrimination against Jews or ethnic minorities," the report stated.

"Despite all difficulties, JDC's program in Moslem countries reached more needy Jews than in any other area of the world--in 1958 more than 100,000 men, women and children in these areas received JDC assistance," Moses A. Leavitt, executive vice chairman, stressed. Morocco had the largest number requiring aid--some 61,200. There were 16,600 beneficiaries in Tunisia; 4,000 in Algeria, and some 18,900 in Iran. Because Iran has remained unaffected by the conflicts in the Middle East, the JDC has been able to continue its program on behalf of the Iranian Jewish population with no hindrance, he pointed out.

Mr. Leavitt declared that despite a decrease in the number of refugees during the year, "JDC's caseload was even larger at the end of 1958 than it had been at the beginning of the year." The expenditures of the JDC totalled \$27,703,400 for its operations in Israel, Moslem countries and Europe.

Greater Number of Jews Will Require Aid This Year, Leavitt Says

"Despite some notable advances during the year," Mr. Leavitt declared, "the outlook at year's end was that in 1959 even greater numbers of men, women and children would require JDC's aid than in the year that was ending." For 1959 JDC has adopted a budget of \$29,593,000 for aid to more than 250,000 needy Jews overseas. The financial mainstay of JDC's overseas rehabilitation and reconstruction programs, the report notes, continues to be funds provided through the nationwide campaign of the United Jewish Appeal.

Summarizing his report, Mr. Leavitt reported that "even when there is prosperity, there are many who are hungry and need to be fed; and even when the very echoes of World War II have faded into the past and all the world has recovered, there are men and women still wounded and sick and in need of our aid."

Among the more than 200,000 needy Jews in all parts of the world who received aid during 1958, the largest number--84,000--benefited from feeding programs, Mr. Leavitt indicated. JDC aid also included: cash relief for 27,000; medical care for 31,000; educational assistance for 68,000; cultural and religious assistance for 35,985; 5,865 in homes for the aged; and 5,695 young people and children receiving other kinds of aid. Among other major developments of the year Mr. Leavitt cited:

1. Aid for more than 19,000 aged, ill and handicapped newcomers and their families in Israel through Malben, the JDC welfare program in the Jewish State.
2. Some 6,309 loans amounting to more than \$2,800,000, granted by 38 JDC-sponsored loan institutions in 19 countries to Jewish artisans and professionals.
3. The distribution by JDC of more than 14,000,000 pounds of U.S. Department of Agriculture surplus commodities to 103,600 persons monthly in Austria, Belgium, France, Germany, Greece, Iran, Israel, Italy, Morocco, Tunisia and Yugoslavia.
4. The provision of vocational training through ORT to between 15,000 and 20,000 persons. JDC's allocation to ORT for this purpose was \$1,605,000 for 1958.
5. The convening of a special conference on local community organization and fund-raising to assist European Jewish communities toward achieving self-support.
6. The continuance of JDC specialized assistance, including Passover aid in Europe, Israel and Moslem countries.
7. The completion of a new wing and renovation of the Jewish hospital in Teheran, Iran.

Mr. Leavitt declared that "one of the most notable developments of the year was the dedication and opening of the Paul Baerwald School of Social Work in Jerusalem." Established under the auspices of the Joint Distribution Committee, the Hebrew University

and the Israel Ministry of Social Welfare, the school will offer a three-year course leading to a Bachelor of Social Work degree.

"In one year JDC's program in Poland has grown to the point where there are more beneficiaries in that country than in any other of Europe," Mr. Leavitt stressed in his report. "JDC resumed its activities in Poland in December 1957, to render help to repatriated Jews from Russia. Gradually, however, it has become involved in assistance to the 'settled' Jewish population as well," he emphasized. The total Jewish population in Poland is estimated at about 40,000.

Mr. Leavitt noted that JDC-subsidized aid to Jews in Poland included: child feeding, 2,235 monthly; grants for furniture and living quarters, 9,753 persons; cash assistance to aged, invalids and others, 1,675 a month; one-time grants to welfare clients, 1,670; grants to ORT students and their dependents, 5,000 a month; individual loans, 135; summer camps for 3,000 children, and 30 loans to Jewish producers' cooperatives employing some 1,000 persons.

A major area of JDC assistance in Europe was also France, which had a total of 17,500 beneficiaries. Other countries with major programs included Austria, Germany and Italy. JDC also continued its welfare programs in a number of other European countries, including Belgium, Greece, Norway, Portugal, Spain, Sweden, Switzerland and Yugoslavia.

40,000 Aided in Israel; Warburg Cites "Barriers" in Some Lands

During 1958, JDC aided some 40,000 persons in Israel, Mr. Leavitt reported, nearly half of whom receive aid from Malben, the JDC welfare program on behalf of aged, ill and handicapped newcomers to the Jewish State. Assistance provided by JDC in Israel outside the Malben program included aid for cultural and religious institutions, including yeshivot, research projects and assistance to refugee rabbis, with a total of 13,000 beneficiaries. In addition, JDC aid to the ORT vocational training program in Israel reached 8,264 beneficiaries.

In addition to Mr. Leavitt's review of the year's operations, the annual report contains accounts of JDC's work by Edward M. M. Warburg, JDC chairman and honorary chairman of the United Jewish Appeal, and James H. Becker, chairman of the JDC National Council. Mr. Warburg said he was "overwhelmed" by what he saw and heard at the 1958 JDC Country Directors Conference in Geneva. Noting the presence at the conference of representatives from Europe, North Africa, the Near East and Australia, Mr. Warburg declared that "equally significant--perhaps more so--were the places not filled, the chairs which stood empty.

"In spirit there sat in those chairs, and joined in our deliberations, representatives of other communities in which JDC's aid is felt today, communities in which destitute Jews are receiving the aid they so desperately need; but communities which for one reason or another were not able to send their representatives to this conference in Geneva," the JDC chairman stated. One day they too may sit with us--but until then, from such conferences as this there will continue to flow--across borders and barriers--a heartwarming sense of contact and spiritual solidarity," Mr. Warburg stressed.

N. Y. CITY ANNOUNCES PROBE INTO PRIVATE SPORT CLUBS SUSPECTED OF BIAS

NEW YORK, July 19. (JTA) -- A broad investigation of private sports clubs in New York City suspected of barring Jews, Negroes and others from membership on the basis of race or religion was announced this week-end by Dr. Alfred J. Marrow, chairman of the city Commission on Intergroup Relations.

Dr. Marrow, who indicated this probe after the commission heard testimony from Dr. Ralph J. Bunche, Nobel Prize winner and United Nations Undersecretary, also said the commission might ask legislation to prevent such bias in membership policies. Dr. Bunche opened the issue by revealing that he had been told that neither he nor his son, Ralph Bunche, Jr., 16, could become members of the West Side Tennis Club of Forest Hills, Queens, because they were Negroes. The club's board subsequently repudiated the statement from president Wilfred Burglund, accepted his resignation, and invited the Bunches to join.

Dr. Marrow said that while he recognized the right of private clubs to bar any group on racial or religious grounds, he also felt there was "a moral and psychological aspect" to such discrimination. Psychologically, there is a harmful effect on any group that is banned.

AMERICAN ZIONIST PUBLIC AFFAIRS COMMITTEE CHANGES ITS NAME

WASHINGTON, July 19. (JTA) -- The name of the American Zionist Committee for Public Affairs has been changed to American Israel Public Affairs Committee by decision of its executive board, Rabbi Philip S. Bernstein, chairman of the organization, announced today.

The change was made to reflect the fact that the committee is supported by all elements of the American Jewish community rather than Zionists alone. The committee will continue to conduct public action in Washington with a view to strengthening friendship of the U.S. and Israel, and to counteract Arab lobbying against Israel.