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SERIOUS RIOTS BREAK OUT IN BEERSHEBA; SHOPS DEMOLISHED; FIRES STARTED

BEERSHEBA, Israel, July 21. (JTA) -- Tension persisted today in this capital of the Negev after night-long riots in which shops of European Jews were destroyed, automobiles set afire and the furniture of the cafe-house "Kassit" smashed to pieces.

The riots -- a repetition of similar riots in Haifa last week -- were ascribed to small groups of hooligans some of whom came to Beersheba from other towns. These groups, according to police reports, started faked clashes between themselves which they developed into riots directed against European settlers under the pretext of protesting communal discrimination.

Strong police units arriving on the scene detained a number of rioters among whom they recognized familiar faces of persons with long criminal records. The detainees were brought this morning before a magistrate who issued detention warrants. They were then taken to prisons outside Beersheba, mainly to prisons in the Jerusalem area.

The police detachments, in steel helmets, patrolled various sections of the city today, while municipal workers cleared the glass splinters which covered Beersheba's main streets. During the riots the show windows of many stores were smashed. No estimate of the damages has so far been reported.

Cabinet Acts on the Disturbances; Attributes Them to Instigators

JERUSALEM, July 21. (JTA) -- The Cabinet met in extraordinary session today to discuss the riots which broke out during the night in Beersheba and the disturbances Sunday in Migdal Haemek in which 12 policemen were injured. At the same time increased police forces were sent to new immigrant centers where tension was reported developing.

Following the four hour Cabinet meeting, the Government instructed the police to employ all measures at their disposal to secure non-recurrence of rioting. An official communique issued after the meeting attributed the disturbances to groups of instigators. These were small groups whom the public condemned, the communique said.

The Inspector General of the police, Yosef Nachmias, who attended the Cabinet meeting, told the press that there was no doubt that the current propaganda in connection with the forthcoming national elections in November was a contributing factor. He refused to elaborate on the Government's statement regarding the groups of instigators.

A Government spokesman who briefed reporters after the Cabinet meeting emphasized that the official communique contained not "an iota" of any suggestion of communal differences as being involved but he hedged when the reporters asked whether the Beersheba disturbances were motivated by such differences.

Behor Shitreet, Minister of Police, and Mordecai Namir, the Labor Minister, told the special Cabinet meeting that there was no relation between the incidents which have occurred at Haifa, Migdal Haemek and Beersheba. Each riot had special characteristics, they said.

Joseph Avidar, director general of the Ministry of Labor, reported on the system of relief work provided for jobless immigrants at development centers. He said Migdal Haemek workers were set "norms" for daily pay which, he said, could be completed easily in six hours but, acting on agitation from instigators, they sought to reduce the norms to the equivalent of a four-hour day.

ISRAEL PRESIDENT INSTRUCTS CABINET TO REMAIN AS CARETAKER GOVERNMENT

TEL AVIV, July 21. (JTA) -- President Ben Zvi issued a formal statement today instructing Prime Minister David Ben Gurion and all members of the present Government to remain in office on a caretaker basis until the November elections produced a new Government with a vote of confidence from the next Knesset, Israel's Parliament.

The Presidential statement was published after a meeting between the President and Mr. Ben Gurion at the President's resort. At the 50-minute meeting, Mr. Ben Gurion reported, as had been expected, that he had been unable to form a new coalition when the Religious and General Zionist parties declined to promise him passive support for a Cabinet without Mapam and Achdut Avodah, which voted against the Government on the Israel sale of arms to West Germany.

KNESSET ASKED TO RATIFY CONCESSION ON OIL PIPELINE TO INVESTORS

JERUSALEM, July 21. (JTA) -- Finance Minister Levi Eshkol asked Israel's Parliament today to ratify an agreement giving a 49-year concession on a 16-inch oil pipeline from Eilat, on the Gulf of Akaba, to Israel's refineries in Haifa, on the Mediterranean, to an international syndicate headed by Baron Edmund de Rothschild of Paris.

Mr. Eshkol and Baron de Rothschild signed a preliminary agreement this week-end, subject to ratification by the Knesset. The syndicate will invest more than \$20,000,000 in the operation. Mr. Eshkol told the chamber that the new pipeline would enable the Haifa refineries to work at full capacity and would be a major contribution toward the further development of the Negev, the southern desert. He urged early ratification of the de Rothschild concession.

The Finance Minister disclosed that the concessionaires were organized in two companies, Tricontinental Pipeline, Ltd., with offices in Canada, and Israeli Pipeline, Ltd., which is registered locally. For their investment of \$20,000,000 the concessionaires will obtain the existing 16-inch line from Beersheba northwards to Haifa and the new line being built from Eilat to Beersheba.

The concessionaires will have exclusivity on oil imports into Israel, both at Eilat and along the Mediterranean. They will be guaranteed an eight percent return on their investment for 15 years during which the Israel Government is obligated to transport 1,500,000 tons of oil annually for domestic requirements.

The Government will hold in abeyance for 15 years \$4,000,000 in payments to the concessionaires. The concessionaires will pay \$19,000,000 before the end of 1960 and another one million in 1961.

Mr. Eshkol named as members of the concessionaire group the Palestine Economic Corporation, the American Palestine Corporation (AMPAL), the Miami group of private investors, Sam Rothberg, former top leader of the Israel bond organization, the Bank Leumi L'Israel, the Israel Discount Bank, the Swiss-Israel Bank, PAZ--the Isaac Wolfson oil interests--which took over Shell's holdings in Israel, and Delek, Ltd., the National Fuel Company.

At the present time, the Haifa refineries are working at only one fourth of their capacity because of the lack of crude oil supplies. Prior to 1948, the Haifa refineries received their crude oil via a pipeline from the Iraqi fields.

ISRAEL'S ACQUISITION OF ARMS WILL NEED GERMAN CONSENT, PERES FORESEES

TEL AVIV, July 21. (JTA) -- Shimon Peres, retiring director general of the Israel Defense Ministry, asserted today that within a few years the European arms industry would be unified and that Israel in consequence would be unable to purchase arms without "European consent and this means including West Germany's consent."

In an interview in Davar, Histadrut's daily newspaper, Mr. Peres added that France and West Germany in particular were planning a common arms industry and that arms Israel might need would come out of such a common production. He said France supported the establishment of a European community and there was no alternative for Israel but to make friends with the countries which are France's friends.

Recalling Israel negotiations for purchase of mothballed West German submarines, since discontinued, Mr. Peres said Israel had needed such submarines as a defense against the submarines the Soviet Union had sold to the United Arab Republic.

Mr. Peres, whose resignation as director general becomes effective July 22, said "important headway" had been made in establishing a scientific military industry in Israel which he called essential in any possible future warfare. Mr. Peres is being replaced by Asher Ben Nathan as acting director general.

ISRAEL EXPORTS JEEPS TO COLOMBIA; WILL RECEIVE COFFEE IN EXCHANGE

TEL AVIV, July 21. (JTA) -- A consignment of three hundred and twenty five jeeps, constituting the first shipment of \$1,500,000 worth of jeeps to be shipped to Colombia, was loaded at Haifa port today.

Colombia will pay for the jeeps with 1,500 tons of coffee, 1,200 tons of which will be resold to an East European country for which Israel will receive sugar. A second shipment of 580 jeeps assembled by the Kaiser-Frazer plant in Haifa, is expected to leave Israel ports shortly.

Exports from Israel totalled \$88,800,000 during the period from January to May this year, some four-and-a-half million dollars more than the same period last year. A large increase was reported in exports of polished diamonds. Other increases noted included the export of \$3,000,000 worth of eggs as compared with one million dollars worth during the period last year. Exports of cars, tires, cement, chemicals and pharmaceuticals also showed significant rises.

CHANCELLOR ADENAUER RECEIVES SHARETT; DISCUSS MIDDLE EAST ISSUES

BCNN, July 21. (JTA) -- Moshe Sharett, former Israel Prime Minister who headed the Mapai delegation at the congress of the Socialist International in Hamburg, was received by Chancellor Konrad Adenauer.

The two leaders in a 30-minute informal meeting discussed Israel and Middle East problems. They first became acquainted when the West German-Israel reparations pact was signed at Luxembourg on September 10, 1952.

AUSTRIAN CHANCELLOR PLEDGES 'JUST RESTITUTION' TO JEWISH COMMUNITY

VIENNA, July 21. (JTA) -- Chancellor Julius Raab told the Austrian Parliament today that his government would observe the principles of freedom of religion and conscience in its relations with religious institutions.

Among problems to be resolved in this area, he said, was that of "just restitution of the losses of the Jewish community during the time of its persecution."

Earlier, Chancellor Raab, in the presence of all members of his coalition cabinet, had unveiled a memorial stone in the Burgtor, former palace of the Austrian Emperor, in honor of the victims of the National Socialist era.

1,600,000 CLAIMS OF NAZI VICTIMS STILL AWAIT SETTLEMENT IN GERMANY

LONDON, July 21. (JTA) -- Despite the goodwill of the West German Federal Government, only about 6,000,000 marks have been paid out in compensation claims while 12,000,000 marks in claims remain to be processed, the Bonn correspondent of the Manchester Guardian reports.

The urgency accorded to a particular claim varied from one provincial government in West Germany to another, he said in his report. He cited as an example that the Berlin compensation office had, in comparative terms, five times as many employees as that of the Rhine Palatinate, but in Berlin 341 claims per employee were handled in 1958 compared with 1,744 in the Rhine Palatinate in the same period. Claims presently under adjudication total 1,600,000 in all of West Germany, he said.

DR. GOLDMANN MEETS WITH GERMAN OFFICIALS IN CHARGE OF INDEMNIFICATION

NEW YORK, July 21. (JTA) -- The headquarters of the Conference on Jewish Material Claims Against Germany today reported that Dr. Nahum Goldmann, president of the Conference, met this week with the German Ministers in charge of indemnification and other high ranking officials of the German states, as a follow-up to his conference last month with the German Minister Presidents of these states which was presided over by Chancellor Adenauer.

"At the meeting, the German representatives were hopeful that their states would be able to carry out the provisions of the Federal Indemnification law by March 31, 1963, the deadline date foreseen in the statute," the Claims Conference report stated. "Dr. Goldmann submitted anew specific suggestions for speeding up the pace of indemnification, above all in the advisability of obtaining standardized settlements for groups of cases where the underlying facts are similar. Ways were also explored for speeding up adjudications where a state is overburdened with claims, owing to the structure of jurisdiction agreed to by the German states."

"Dr. Goldmann pointed to the wealth of documents, recently made available to the German courts, bearing on the fact that Jewish persecutions in eastern Europe were instigated by the Nazi Government. He appealed to the German states to accept responsibility for emergency needs of Nazi victims coming from Roumania. At the same time he hailed the Administrative Agreement recently reached by the German states as permitting a more liberal interpretation of the Federal Indemnification Law, in certain instances, and expressed the hope that further progress in this direction will take place," the report said.

World Jewish Congress Reports on German Indemnification Legislation

NEW YORK, July 21. (JTA) -- Persistent approaches at an executive level made by Jewish organizations over a period of years have helped smooth out German indemnification legislation and its implementation, Dr. Nehemiah Robinson, director of the World Jewish Congress Institute of Jewish Affairs, says in a report prepared for submission to the WJC's plenary assembly in Stockholm. From 1953 to 1959 work in the indemnification field primarily involved five countries: Germany, Austria, Poland, the United States and Egypt.

"The implementation of the agreements signed in Luxembourg in October 1952, required constant activity involving enactment of new legislation in the field of compensation and restitution, following up its implementation, and discussions and negotiations with federal and state governments," the report states. It points out that the importance of this legislation can be measured by the fact that up to April 1, 1959, almost six billion

German marks were paid out under the compensation law and over 2,800,000 claims were filed by persecutees, of which somewhat less than 1,000,000 had been disposed of by that time.

The new restitution legislation involves an amount exceeding 1,500,000,000 marks to be paid to claimants from Germany and a number of countries which were occupied by the Germans during the last war, the report points out. It emphasizes that when it was learned that the United States and Poland were about to commence negotiations on economic problems, the WJC suggested to the State Department that discussions should include the problems of the property of U.S. citizens in Poland and heirless assets of former Polish citizens in the U. S. A.

When the U. S. Foreign Claims Settlement Commission began registering U. S. -owned and nationalized property in Poland, the WJC, in cooperation with the American Jewish Congress, instituted a comprehensive program of assistance to Jewish owners of such property. The American-Polish negotiations started this year but have not yet been concluded.

CLEVELAND FEDERATION ALLOCATES \$6,107,383 FOR YEAR; U. J. A. GETS \$2,959,000

CLEVELAND, July 21. (JTA) -- Local, national and overseas beneficiary agencies of the Jewish Community Federation have been allocated a total of \$6,107,383 for the fiscal year that started on July 1, it was announced here by L. W. Neumark, Federation president.

Allocations to the Federation and its 21 local agencies and institutions amount to \$2,468,322, an increase of \$74,860 over their 1958 appropriations. The increase, according to Mr. Neumark, is to cover the "most urgently needed" extensions of service, salary adjustments, and other increased operating costs of the agencies' programs.

Overseas agencies, including the United Jewish Appeal, major beneficiary of the Jewish Welfare Fund Campaign, were allotted \$3,100,501, or \$290,483 above last year's allocations. The UJA is to receive a total of \$2,959,001, an increase of \$273,983 over the 1958 allocation. A group of national agencies is to receive \$194,900, a rise of \$14,700 over 1958.

Sources of the funds allocated by the Federation are Greater Cleveland's United Appeal, which held its first campaign last October, and the Jewish Welfare Fund Campaign. United Appeal funds for the Federation and its local Red Feather agencies are received through the Community Fund. The 1959 Welfare Fund campaign raised \$5,152,231, second highest sum in the 56-year history of the Jewish Community Federation.

CINCINNATI JEWISH HOSPITAL TO GET \$1,000,000 BEQUEST FROM LOCAL WOMAN

CINCINNATI, July 21. (JTA) -- The Jewish Hospital here will be the recipient of a \$1,000,000 gift, one of the largest bequests ever made to the hospital, it was learned today. The bequest is part of the will of Mrs. Netta S. Moch of this city, a widely-known philanthropist. The money will provide for the care of children and psychiatric patients.

Through the "Charles S. and Netta S. Moch Fund" and upon the death of the heirs, who will receive the income in their lifetimes, the gift will be available to the hospital. Mrs. Moch, who died on June 13, stipulated in her will that the hospital must agree, within one year following her death, to accept the bequest.

ISRAEL SETTLEMENT DEDICATED TO U. S. JEW WHO BEQUEATHED \$250,000 TO JNF

JERUSALEM, July 21. (JTA) -- A new agricultural settlement and urban center was dedicated in the Adullam region of Israel in memory of the late Michael Weiss of Orange, N. J., whose bequest to the Jewish National Fund, augmented by his surviving widow, amounted to \$250,000.

The settlement, named Neve Michael, will serve as a community and marketing center for surrounding settlements where recently arrived immigrants from Iron Curtain countries are being settled. It will contain schools, shops, a synagogue, a library, a museum, a refrigeration plant and other public buildings to be erected by the Israel Government.

ISRAELI SOLDIERS TO PARTICIPATE IN MARCHING COMPETITION IN HOLLAND

THE HAGUE, July 21. (JTA) -- A group of Israeli soldiers, comprising 26 men and 20 men, arrived at Schiphol Airport to participate in the four-day long-distance marching competition at Nynmegen. Included in the group are 26 Israeli civilians, members of the Dan Bus Cooperative in Tel Aviv, who won first prize this year in the four-day march in Israel.

GEORGIA GOVERNOR CONDEMNS ACTS OF VANDALISM IN MUSEUM AND SYNAGOGUES

COLUMBUS, Ga., July 21. (JTA) -- Georgia Governor Ernest Vandiver has called the work of vandals who painted the Nazi swastika on a museum and two synagogues a "demented act." In a telegram to Mayor B. F. Register, the governor announced that he was adding \$500 to the \$1,000 award previously announced for apprehension of the culprits.