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ESHKOL PRESENTS 1960 BUDGET TO KNESSET; EXPLAINS \$75, 000, 000 INCREASE

JERUSALEM, Feb. 15. (JTA) -- Finance Minister Levi Eshkol submitted to Israel's Parliament today a budget for the fiscal year, beginning April 1, totaling 1,574,000,000 Israeli pounds (\$874,450,000). Of this amount, 532,000,000 pounds (\$295,500,000) represents a special development budget.

The 134,000,000-pound (\$75,040,000) increase in the budget, compared with the last, will provide, Mr. Eshkol explained, for increased expenditures for defense, social obligations and higher subsidies.

Mr. Eshkol told the Knesset that Israel's exports last year increased 24 percent against an increase of only four percent in imports, thus reducing the foreign trade gap by \$35,000,000--a reduction of 10 percent. He warned, however, that 1959 was a year of favorable situations which may not necessarily be repeated this year. Israel will therefore have to make a greater production and export effort, he said, reduce imports, reduce consumption and also produce a more selective investment policy.

In his forecast for 1960, the Finance Minister said that Israeli exports would increase by some \$50-60,000,000 to a total of \$350,000,000, while imports for consumption increased by only \$5,000,000. He pointed out, however, that Israel would have an expenditure of \$36,000,000 for the acquisition of new ships.

He said imports might be increased by \$60,000,000, half of which would go into stockpiling. Exports, he said, would cover 52 percent of imports, compared with 50 percent in the past year. He forecast industrial production increased by ten percent; agriculture, six to eight percent; and total national production, eight to nine percent, compared with 12 percent in 1959.

He said that all this indicated a slowdown in the rate of expansion of Israel's economy in the next year, and stressed that only expansion of exports could make increased production possible.

260, 000, 000 Pounds Marked for Defense; 532, 000, 000 for Development

Expenditures of the Defense Ministry are listed in the new budget at 260,000,000 pounds (\$144,500,000)--about 26 percent of the regular budget and about 9,000,000 pounds more than last year's figure. This, presumably, is not the total defense outlay planned and, as in past years, part of the defense budget is secret and incorporated under other headings.

Of the 532,000,000 pounds for development, only 367,000,000 pounds will be available for new investments. The remainder is for debt service and for loans for operating capital on new enterprises.

In 1959, Mr. Eshkol reported, Israel exports covered 50 percent of imports, compared with a total of 42 percent in the previous year. National production increased by 12 percent to a total of 4,000,060,000 pounds (\$2,222,225,000). Agricultural production increased 16 percent; manufacturing, 14 percent; personal income, 11 percent; and per capita consumption increased seven to eight percent, while productivity per capita grew only five to six percent.

The new budget includes an allocation for carrying out a new national water scheme. Included also are a 40,000,000-pound loan to the Jewish Agency for new settlements; allocations to industry, to be devoted mainly to the establishment of new undertakings and the expansion of older enterprises; and a 35,000,000-pound investment for the development of electricity output.

Other items included are the completion of expansion work in the Port of Haifa; port improvements at Eilat; continuing development of the new port of Ashdod; the purchase of new merchant shipping; shipyard construction; and the enlargement of the Lydda Airport so that jet aircraft may be handled there.

Further Relaxation of Foreign Currency Controls Planned

Mr. Eshkol told the Knesset of plans for further relaxation of foreign currency controls, announcing new measures to encourage transfers of foreign currency to Israel. Under the new regulations, every foreign resident, in addition to tourists, will be given a 20 percent premium for foreign currency. Settlers will be exempt for 10 years from the obligation to sell their foreign currency to the Treasury.

ISRAEL NOT ENDANGERED BY NUCLEAR RADIATION FROM EXPLOSION IN SAHARA

TEL AVIV, Feb. 15. (JTA) -- Moscow statements asserting that Israel has been endangered by nuclear radiation, as a result of the French explosion of a nuclear device in the Sahara Desert, were ridiculed here today by the spokesman for the Israeli Commission on the Dangers of Nuclear Radiation.

No nuclear radiation at all was detected here since the Sahara blast, the spokesman declared. Detection posts have been on the alert, he stated, with equipment ready to detect "even the slightest" change.

According to the Commission, it is impossible that nuclear radiation would increase here as a result of the Sahara explosion. The spokesman said the quantity of radiation here would not be as large as the nuclear radiation detected in New York after atomic blasts in Nevada.

ISRAEL REJECTS AGENDA OF ARMISTICE COMMISSION ON SYRIAN DISPUTE

JERUSALEM, Feb. 15. (JTA) -- Israel will not attend tomorrow's scheduled meeting of the Israeli-Syrian Mixed Armistice Commission, because the chairman of the United Nations body has placed on the agenda a request by Syria for discussing the status of the demilitarized zone, Avraham Biran, head of the Foreign Ministry's Armistice Affairs division, declared today.

Reiterating earlier statements to the effect that Israel is ready to meet the Syrians "at any time, any place," to discuss peace or talk about the restoration of quiet along the frontier, Mr. Biran declared that this attitude holds only "as long as nothing is raised pertaining to the demilitarized zone, west of the boundary line."

Maintenance of the demilitarized zone, Mr. Biran stated, is "Israel's prerogative exclusively." This right, he said, was reaffirmed by the United Nations Truce Supervision Organization in 1951, and "Syria has no standing in the matter." Col. Raymond Piriou, of Belgium, UN chairman of the Israeli-Syrian MAC, "precluded Israel's attendance," Mr. Biran held, by placing the Syrian item on the agenda of tomorrow's scheduled meeting.

(United Arab Republic President Gamal Abdel Nasser arrived in Damascus, capital of Syria, today, and will personally inspect the Syrian-Israeli frontier where fighting took place in the last three weeks.)

ARAB CONFERENCE DISCUSSES PLAN TO KILL ISRAEL'S IRRIGATION PROJECT

LONDON, Feb. 15. (JTA) -- A tri-nation Arab plan to kill Israel's projected use of Jordan River waters for irrigation purposes, by massive diversion of waters feeding into the Jordan, was discussed today at the Arab League Council of Foreign Ministers meeting being held currently in Cairo, according to reports received here.

Israel's plan envisages piping 500,000,000 cubic meters of Jordan water annually from Galilee in the north to the arid areas of the Negev Desert in the south of Israel. The Arab plan, worked out by engineers from Lebanon, Jordan and the United Arab Republic, would divert 350,000,000 cubic meters of the waters feeding the Jordan, and would increase the salt content of that part of the Jordan River flowing through Israel.

Under the Arab plan, for which an appropriation is expected to be made at the Council meeting in Cairo, the waters of the Hasbani River, in Lebanon, would be diverted through a five-and-a-half-mile tunnel into the Litani River, which is also in Lebanon. The Hasbani now flows into Jordanian territory, thence into the Jordan River.

Through the Litani channel, the Hasbani waters would then flow into the Mediterranean Sea, according to the Arab plan. The resulting meager flow of waters through the Jordan, and the increased salinity of the Jordan waters, would make Israel's plan unfeasible, according to the Arab engineers.

Adoption of the water diversion plan, the Cairo dispatches indicated, is likely to be the only concrete achievement of the Arab League Council meeting, being held on the Foreign Minister's level. The Ministers at Cairo cannot agree on the plan, advanced by the UAR, for creation of an Arab "Palestine Army," to be composed chiefly of Arab refugees from Palestine. Jordan opposes such a plan, fearing loss of sole Arab jurisdiction over the lands West of the Jordan River.

(At New Delhi, the proposal to raise a "Palestine Army" was declared "a plan of suicidal bent" by the influential Hindustani Times today. "Whether the Arab states like it or not," stated the newspaper editorially, "Israel is there to stay and Israel has established this fact by arms, first in 1948, and again in 1956--through the Sinai campaign--when Israel showed it could be a dangerous adversary if threatened.")

ELIYV NAMED ISRAEL'S CONSUL GENERAL IN NEW YORK; SUCCEEDS PRATT

JERUSALEM, Feb. 15. (JTA) -- Benjamin Eliyav has been appointed Israel's Consul General in New York, it was announced here today. He will succeed Simcha Pratt, who is returning to Israel shortly. Mr. Eliyav, 50, was born in Riga. He served as First Secretary of the Israel Legation in Buenos Aires in 1953.

N. C. R. A. C. STUDY FINDS NO EVIDENCE OF ANTI-SEMITIC CONSPIRACY IN U.S.

NEW YORK, Feb. 15. (JTA) -- A broad program of investigation, research, conferences, and intergroup education in public, private and parochial schools, to deal with the underlying causes of religious and racial prejudice in America, was called for by the National Community Relations Advisory Council in a report issued today.

The report incorporates a review and evaluation of the rash of anti-Semitic incidents that occurred in the United States during the month of January. The evaluation concludes that there is no cause for alarm in the American Jewish community, since there is no evidence of an anti-Semitic plot or conspiracy in the United States and, in reacting to the incidents, Americans have given a fresh demonstration of their practically universal abhorrence of anti-Semitism.

There is, however, evidence of an undercurrent of latent anti-Semitism, the report finds, and an effective concerted attack on the underlying social causes of anti-Semitism and other forms of hatred is required to assure against future outbreaks. In this connection, the report puts forward the following proposals:

1. That the U.S. Civil Rights Commission or another federal agency specially created for that purpose systematically and continually gather information about anti-Semitic and other hate manifestations and that municipal and state commissions undertake similar programs.
2. That the U.S. support a pending U.N. resolution calling for a worldwide survey of such manifestations.
3. That human relations commissions call community-wide conferences "under the broadest community auspices" to evaluate local situations and project coordinated programs of action.
4. That intergroup education programs be expanded, including the incorporation in special studies classes of material that would lead young people to understand "the significance of the swastika as a symbol of hatred and tyranny that destroyed millions of lives and threatened the freedom of the whole world."
5. That a national conference of educators be convened by the U.S. Office of Education to consider how school programs can best introduce intercultural education methods and curricula.
6. That a national conference of educators and religious leaders similarly be held to study means of introducing such methods and materials in church-connected schools and to review textbooks used in such schools and in religious education generally "to assure that such books do not inadvertently tend to instill unfavorable attitudes toward those of other religious faiths."
7. That the youngsters arrested for acts of desecration and defacement be studied to see what can be learned about their "personalities, background and motivations."

The recommendations stem from an analysis made by the NCRAC of 189 incidents reported from 88 cities during the period January 1-22. Concluding from this analysis that there is "no evidence of central planning or direction of the incidents," the NCRAC observed in its report that the acts cannot be regarded as mere pranks or fads like the hoola hoops or goldfish-swallowing craze.

The National Community Relations Advisory Council is the national coordinating body for community relations plans and programs of its constituent national and local agencies. It is composed of representatives of the American Jewish Congress, Jewish Labor Committee, Jewish War Veterans of the U.S., Union of American Hebrew Congregations, Union of Orthodox Jewish Congregations of America, United Synagogue of America -- and 51 local Jewish community relations councils throughout the United States.

B'NAI B'RITH PRESIDENT REPORTS ON POPE'S DENUNCIATION OF ANTI-SEMITISM

TORONTO, Feb. 15. (JTA) -- Pope John XXIII strongly denounced the recent rash of anti-Semitic outbreaks as violations of "the natural rights of man," and called anti-Semitism "a sin against God and man," Label A. Katz, national president of B'nai B'rith, reported here today.

Mr. Katz, who, with a B'nai B'rith delegation, had an audience with Pope John at the Vatican last month, disclosed the Pontiff's statement for the first time when he addressed a convocation of Toronto B'nai B'rith lodges here today.

The synagogue vandalism and swastika daubings around the world were seen by Pope John, Mr. Katz said, as "violating not only the natural rights of man but as destroying the spirit of love and understanding that should exist among all brothers for the preservation of peace and freedom among all mankind."

"The Pope," continued Mr. Katz, "also placed emphasis on what he called the 'imperishable continuity' between the old and the new testaments. He told us it is his private prayer that the people of both testaments will continue to grow closer in good relationships."

From his own viewpoint, the B'nai B'rith leader said, the anti-Semitic outbreaks were attributable to "imitative dementia," involving young persons in particular. "The bitter

historical lessons of the Hitler era," he warned, "are slipping by a younger generation at a time when their own survival as a free civilization will rest heavily on their genuine awareness of what democracy really is."

Mr. Katz, who visited West Germany, declared that the "sincere determination" of the Adenauer government to democratize the country is handicapped by the large number of Nazi-oriented schoolteachers and government workers who still hold posts in the school system and in the civil service. Mr. Katz said there is "no real evidence" that the anti-Semitic outbreaks were linked to an anti-Semitic plot or neo-Nazi conspiracy.

CHICAGO MEETING DISCUSSES ANTI-JEWISH MANIFESTATIONS IN GERMANY

CHICAGO, Feb. 15. (JTA) -- The blame for the anti-Jewish manifestations in Germany, which began with the desecration of the Cologne synagogue on Christmas Eve, was laid here by Dr. Joachim Prinz, president of the American Jewish Congress, to "the apathy and indifference of large sections of the German people."

Dr. Prinz, who just returned from a visit to Germany, was one of the principal speakers at a Town Hall meeting here held last night at which the cause and cure of the worldwide anti-Semitic manifestations were discussed. Jack I. Fishbein, editor and publisher of The Sentinel, a Chicago English-Jewish weekly publication, was another principal speaker.

Mr. Fishbein, who is president of the American Jewish Press Association, told the audience that "American Jews bear no grudge against Germany or Chancellor Adenauer." He stressed that "We have every reason to hate the nation that murdered 6,000,000 of our kinsmen, but despite this, we bear no blind grudge." The audience included numerous leaders of non-Jewish religious and lay organizations.

The meeting served to lay down a positive program of action which asked West Germany to "root out ex-Nazis from official posts in the German government; teach Germany's youth the facts about Hitler's crimes against humanity; punish anti-Semitic hoodlums and hatemongers in Germany swiftly; expand efforts to halt ultra-nationalist propaganda in Germany and enlarge programs to document Nazi persecutions and promote democratic values." The program also urged Jews to write the Chicago Board of Education suggesting that it strengthen its Human Relations program and institute adequate study of the Hitler period.

JEWISH COMMUNITIES IN MID-WEST HOLD THREE-DAY U. J. A. CONFERENCE

HIGHLAND PARK, Ill., Feb. 15. (JTA) -- A resolution calling on Jewish communities in the Middle West to make "an extraordinary effort" to meet "our obligations to our fellow Jews in need and to enable the heroic people of Israel to maintain their land as a true haven for distressed Jews everywhere," was adopted yesterday at the closing session here of a three-day meeting of Jewish communal leaders from 12 Midwest states.

Speakers at the United Jewish Appeal's Midwest Leadership Institute included Abraham Harman, Israel's Ambassador to Washington; Edward M. M. Warburg, chairman of the Joint Distribution Committee; Philip M. Klutznick, a national chairman of the UJA; Rabbi Herbert A. Friedman, UJA executive vice-chairman; Moses A. Leavitt, JDC executive vice-chairman; Charles Jordan, director general of overseas operations of the JDC; I. D. Fink, president of the Minneapolis Federation for Jewish Service and others.

The meeting, which was called to launch the 22nd annual campaign of the United Jewish Appeal, was attended by 300 community representatives from Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.

The resolution adopted by the delegates also noted that "Jews are still coming in to Israel in substantial numbers. We must make sure that when these new immigrants reach their destination, their absorption into the life of the country is completed with a minimum of delay."

Ambassador Abraham Harman told the Jewish communal leaders that American Jews, in the last 15 years, had helped to accomplish a revolution in world Jewish life. Since the end of the second World War, he declared, "a million and a quarter Jews, almost 12 percent of all Jews of the world, have been helped to migrate to lands where they enjoy the dignity of equal and rooted citizenship." Of this, he noted, a million had gone to Israel.

Philip Klutznick described the urgent need to provide modest, but decent housing for some 90,000 newcomers to Israel. Some 20,000 housing units must be built, he stressed, if shanty-town dwellers and other immigrants in slum areas, are to be properly housed.

New York Women Raise \$1,200,000 for U. J. A.; Inaugurate 1960 Drive

NEW YORK, Feb. 15. (JTA) -- More than \$1,200,000 was raised by the Women's Division of the United Jewish Appeal of Greater New York at five simultaneous luncheons held here today inaugurating the 1960 UJA campaign. The total represented a \$200,000 increase over the amount raised at last year's inaugural affairs. More than 1,400 women attended today's luncheons.