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TENSION ON ISRAEL-EGYPTIAN BORDER GROWS; EGYPT MOVES TROOPS TO GAZA

TEL AVIV, Feb. 25. (JTA) -- Tension along the Israel-Egyptian border grew considerably today following reports that Egyptian army units have entered the Gaza Strip which has hitherto been guarded by United Nations Emergency Force units and locally recruited police. The reports said that the Egyptian military units are virtually isolating the posts of the UN forces.

The deployment represented the first time that substantial Egyptian forces have been in the area since UNEF contingents began to patrol the Gaza-Israel border after the 1956 seizure by Israel of the strip and subsequent withdrawal by Israel forces.

It was also reported that for the past several days, substantial movements of Russian-equipped Egyptian troops have been observed from the Israel side in many sections of the Egyptian-Israel border areas. There were unconfirmed reports that two Egyptian divisions have been deployed in the Gaza Strip border area. Other Egyptian units were reported to have been stationed in Abou Agella and Juseima, sites of sharp battles during the 1956 Sinai campaign.

The United Arab Republic also was reported to be concentrating forces on the northern front. Only national guard units and gendarmes were reported to have participated in the huge parade in Damascus earlier this week where UAR President Nasser received a salute on the second anniversary of the Egyptian-Syrian merger. The Army remained deployed on the Israel border.

Golda Meir Tells Foreign Ambassadors of Israel's 'Grave View'

Mrs. Golda Meir, Israel's Foreign Minister, conferred today with ambassadors of several countries and told them that Israel took a "grave view" of the reported United Arab Republic troop concentrations on the Gaza Strip-Israel border.

Israel military sources indicated the Army was keeping a close watch all along the border. However, while the military authorities were taking necessary precautions, the atmosphere in Israel toward the UAR military activities was one more of curiosity than tension. Opinion was widespread in Israel that Nasser would not dare to unleash a major attack on the borders and that Israel would not currently initiate new retaliatory action.

(U.N. sources in New York said this morning they had received no information on UAR troop movements in the Gaza Strip and Sinai and were awaiting an Israeli letter. An indication that Secretary General Dag Hammarskjold did not take an overly serious view of the latest reported developments was that he left this afternoon on a trip to Stockholm.)

Observers here, speculating on Nasser's reasons, noted that tension had been built up in recent weeks by Nasser's absolute refusal to allow passage through the Suez Canal of Israel cargoes and Nasser's statement Monday that the Tripartite Declaration of 1950, committing the United States, Britain and France to oppose violent changes of Israel-Arab borders, was dead.

Another theory was that the troop concentrations were intended to demonstrate the seriousness of Nasser's warning that Israel implementation of plans to divert some of the Jordan River waters for Negev irrigation would mean war. Still another was that the troop concentrations were Nasser's answer to a statement by Prime Minister David Ben-Gurion that he did not think Nasser would attack.

ISRAEL WARNS U.N. SECURITY COUNCIL ON NASSER'S 'WARLIKE THREATS'

UNITED NATIONS, N.Y., Feb. 25. (JTA) -- Israel warned the United Nations Security Council today that the United Arab Republic had intensified "its policy of hostility against Israel" and said "its campaign of open incitement to war has reached dangerous dimensions."

In a letter addressed to Sir Pierson Dixon, president of the Security Council, Ambassador Yosef Tekoah, acting head of the Israel delegation, pointed out that "war-like threats" against Israel voiced by President Nasser of the UAR "are accompanied

by extensive military preparations in both provinces of the United Arab Republic, directed against Israel."

The Israeli letter declared that tranquility could be restored to the area only if the UAR abandoned its policy of active hostility against Israel, ceased its campaign of incitement to war and desisted from acts of aggression. Only renunciation of this policy, Israel affirmed, could make it possible to bolster United Nations authority and secure compliance with the UN Charter. "It is therefore essential to direct all efforts towards terminating this illegal and dangerous policy," it advised.

The letter renewed again Israel's offer to meet Syrian representatives to discuss measures for ensuring peace on the border, and with the villagers of Tawafik in order to settle differences regarding land cultivation in the demilitarized zone.

Although it did not specifically identify the report by Maj. Gen. Carl C. von Horn, chief of staff of the UN truce organization, on the Syrian border situation, the Israel letter noted that "certain communications submitted recently to the Security Council might tend to blur the fundamental issues of this dangerous situation.

"Past experience in Israel-Arab relations," the letter stated, "has demonstrated the perils inherent in the disregard for the basic attitude of the parties. Diversion of attention, instead, to technical details of secondary importance, frequently leaves the real maladies unattended."

U.N. Truce Chief Reports on Syrian-Israeli Border Clashes

The detailed report on the Syrian-Israeli border disturbances, submitted Feb. 16 to the Security Council by Gen. von Horn, was made public today. The 60-page document which detailed the history of the demilitarized zone in dispute over the last ten years, referred to the "present dangerous situation" which had developed in the zone. The report was critical of Israeli actions in the area and of the Israel Government's failure to accept the Chief of Staff's findings on January 20.

In these findings, Gen. von Horn proposed a division of land in the demilitarized zone between Israeli and Arab cultivators, the two areas to be separated by a 10-meter buffer zone. This division, he said, would not impair the legal claims of either side but provide a practical measure to facilitate the return of tranquility.

"If disputes about land ceased," he told the Security Council, "there would be no motive for Israel to send into the demilitarized zone border police in armored vehicles, no motive either for Syria to send national guards or other personnel."

Gen. von Horn disclosed that earlier this month he renewed efforts to secure Israeli agreement to his January 20 findings and to having Israeli and Arab residents and cultivators of the demilitarized zone meet to work out apportionment of land there. He advised the Israelis at that time that the attack on Tawafik and other developments had not created a "propitious atmosphere" for acceptance of Israeli proposals for a meeting with the Syrians to discuss pacification of the frontier.

Israel Outlines Charges Against Syria; Reiterates Offer

The Israeli document reviewed the history of Israel-Syrian relations since the Syrian invasion in 1948, noting that "Syria has persistently refused to conclude a peace settlement and has continued to pursue a policy of active hostility towards Israel."

The letter charged that Syrian military positions are still being maintained in the Tawafik area inside the demilitarized zone "despite the UN truce supervision organization requests to remove them." It said there were no Israel army forces in the zone.

The Israeli communication also sharply challenged "decisions" of the Israel-Syrian Mixed Armistice Commission reported to the Security Council. It pointed out that Israel had not been represented at the meetings and that Israel's complaints had not been considered. The letter reminded the Security Council that UN military observers had found Tawafik to be strongly fortified and listed military equipment, including 82 mm. anti-tank guns found there in the Israeli attack on Feb. 1.

In reiterating its offers for a meeting of representatives of the Israeli and Arab villages of Beit Katzir and Tawafik to settle the land cultivation question, and for a meeting of Israel and Syrian representatives to discuss means of preserving quiet and tranquility on the border, the Israeli letter stressed the provision that "nothing pertaining to the demilitarized zone west of that boundary is raised."

NASSER WARNS POWERS AGAINST INTERFERING WITH HIS ANTI-ISRAEL PLANS

LONDON, Feb. 25. (JTA) -- President Nasser of the United Arab Republic today delivered another warning to the United States, Britain and France against intervention under the 1950 Tripartite Declarations which guarantees the present Arab-Israel borders. Speaking in Damascus, he said any such intervention would be resisted by him with force.

His threatening statement was made following a report here that the U.S., Britain and France have been consulting on the Tripartite pact and have come to the conclusion that the pact is as valid today as it was ten years ago when it was announced. Allied consultations were prompted by a warning earlier this week from Nasser that the Tripartite Declaration was dead and "buried at Port Said," the site of the Suez invasion of 1956.

FOUR-DAY ISRAEL BOND CONFERENCE OPENS; SEEKS \$75, 873, 000 IN 1960

MIAMI BEACH, Feb. 25, (JTA) -- A four-day national conference inaugurating the Israel Bond campaign for 1960 opened here today with the participation of 1,900 delegates from Jewish communities in all parts of the United States and Canada. The conference will decide on ways and means to sell \$75, 873, 000 in bonds during the current year, thus bringing the overall total for ten years to the \$500, 000, 000 mark.

High point of the four-day Conference will occur on Sunday, when former President Harry S. Truman will be the principal speaker at a dinner in honor of General Moshe Dayan, Minister of Agriculture and former Chief of Staff of the Army of Israel. General Dayan served as Commander of the Israel forces in the Sinai Campaign in the winter of 1956.

Addressing the board of governors this morning, Dr. Joseph J. Schwartz, vice-president of the Israel Bond Organization, said that an economically strong Israel will bring peace in the Middle East and advance the cause of freedom. He urged Americans and Canadians to join in raising \$75, 873, 550 through the sale of Israel bonds this year in order "to help Israel overcome the economic roadblock being set up by the intensified Arab boycott of Israel and the blockade by the United Arab Republic of all shipping seeking to use the Suez Canal.

"American aid to Israel through Israel bonds represents a vital instrument in preserving the independence of Israel against growing Arab hostility," Dr. Schwartz stated. He stressed that the economic war being waged by the Arabs against Israel represents a very serious threat to her existence. "It is our obligation to provide Israel with the financial means through Israel bonds to combat these attacks on her economic lifeline," he said.

"We are proud of the fact that as a result of the funds provided by Israel bonds, the State of Israel has expanded her merchant marine, established markets for her goods abroad and developed a new harbor at Eilat on the Gulf of Akaba to open a gateway for trade with many countries in Asia and Africa. With the aid of Israel bonds," Dr. Schwartz asserted, "Israel is now selling her products to 90 countries around the globe including the United States, Great Britain and many other lands."

Lawrence G. Laskey, of Boston, chairman of the national executive committee of the Israel Bond Organization, cited major economic advances made by Israel since the inception of the Israel bond drive.

STATE DEPT. TO INVESTIGATE ELIMINATION OF JEWS FROM U.S. PERSONNEL

WASHINGTON, Feb. 25, (JTA) -- Loy Henderson, Deputy Undersecretary of State for Administration, today made known he would personally investigate a new policy eliminating Jews from among U.S. personnel assigned to Pakistan.

Speaking as the Department's personnel chief, Mr. Henderson informed Rep. Leonard Farbstein, New York Democrat, that he would make a thorough probe within the Department. He will seek to determine the facts of the reported "gentleman's agreement" informally entered in recent weeks by Department functionaries who complied with an anti-Jewish stand by the Pakistani Government.

Rep. Farbstein, a member of the State Department sub-committee of the House Foreign Affairs Committee, discussed the issue today with Mr. Henderson who said he was "shocked" to hear of the new policy. While denying knowledge of the policy and stating that his impression was that Pakistan was free of anti-Jewish prejudice, he added, however, that the matter was sufficiently serious to examine at once. He stated he would question responsible subordinates.

Rep. Farbstein, after talking with Mr. Henderson, said he would continue working on the issue until he is certain the newly adopted discrimination is dropped. He revealed that he has already brought the Pakistani prejudice to the attention of the full Foreign Affairs Committee.

TRUMAN CONDEMNS BIGOTS AT NATIONAL PARLEY OF CHRISTIANS AND JEWS

WASHINGTON, Feb. 25, (JTA) -- Ex-President Harry S. Truman today condemned the "terrible bigoted organizations led by unconscionable demagogues" who thrive on anti-Semitism and dissension.

In a message distributed to 1,400 persons attending a convention of the National Conference of Christians and Jews, Mr. Truman said that "there seems to be a movement on foot in this country and in Europe to revive the Nazi persecutions." He declared that such a development "must not happen."

He told the brotherhood conference that America has had "enough trouble with anti-Masons, anti-Catholics, the Know Nothings, and the Terrible Ku Kluxes, Silver Shirts and several other terrible bigoted organizations.

"Everything possible must be done to prevent a revival of any bigoted organizations," he declared. "The great idea represented here can make one of the greatest contributions to that end." Mr. Truman had planned to deliver the address personally but could not do so because of personal conditions.

U.S. FIRM MAY PRODUCE COMPACT CARS FOR ASSEMBLY PLANT IN ISRAEL

TEL AVIV, Feb. 25. (JTA) -- Compact cars will be produced at the Kaiser-Frazer assembly plant in Haifa by the end of this year, Michael Tzur, director general of the Israel Ministry of Commerce and Industry, declared today.

Mr. Tzur made the announcement on his return from the United States where he said he had concluded an agreement with an American compact car producer to manufacture such cars in Israel. Production of such a car here has been the objective of Emphraim Ullin, manager of the Haifa plant, since Regie Renault, the French car firm, unilaterally canceled its contract for the assembly of Renault automobiles at the plant.

Mr. Tzur said the design of the new compact car, which is marked to sell at 3,000 Israel pounds compared with 7,000 for the Renault Dauphine, was handed to the American auto designing firms for a station-wagon style. The Kaiser-Frazer plant cut its production after the Renault cancelation and is now producing only American type jeeps and station wagons.

Mr. Tzur also disclosed that the West German Gogomobil Company is one of four foreign firms which have extended offers to establish assembly of compact cars in Israel. He did not identify the other two companies, or give the name of the American firm.

ISRAEL PRAYS FOR RAIN; DROUGHT CAUSES 10,000,000-POUND DAMAGE TO CROPS

JERUSALEM, Feb. 25. (JTA) -- Unseasonably dry weather has caused nearly 10,000,000 pounds worth of drought damage to Israel crops, the Ministry of Agriculture reported today. The Ministry said the hardest hit section was the Negev where some 50,000 acres of crops were already lost. In other parts of the country, some 10,000 acres had been crippled.

Hundreds of Orthodox Jews wearing prayer-shawls prayed for rain today at the Honi Hamaggel Tomb near Tel Aviv. Prayers for rain also were offered at special services held on Mount Zion and the Caves of Sanhedrin in Jerusalem. (Honi Hameaggel-- "Honi the circle-drawer"--was a pious man of the first century. He received his name from an incident during a drought period. According to the legend when all prayers for rain went unanswered, he managed to produce rainfall by drawing a circle on the ground and vowing to stay inside of it until rain came.)

The drought this year is the worst ever recorded and the third successive dry year. Most of Israel's field crops appear to be irretrievably lost. Orchards may still be saved if the rains come but the yields will be far below normal.

Many Orthodox Jews have come to Safed, home of the Cabbalists, to participate in special prayers as the continuing parching not only imperiled the whole winter crop but also could prevent preparation of fields for summer crops.

PALESTINE ECONOMIC CORPORATION PAYS \$482,251 IN DIVIDENDS FOR 1959

NEW YORK, Feb. 26. (JTA) -- Dividend checks totaling \$482,251 for the year 1959 were mailed today by the Palestine Economic Corporation to stockholders, together with the annual report covering the 34th year of operations of the \$17,000,000 corporation which is the oldest and largest investment company in the United States devoted to the development of Israel through private capital.

New investments during the current year, for which \$3,700,000 have been earmarked by PEC, include expansion programs for several industrial and commercial enterprises, urban development, construction of apartment houses and factory buildings, citrus cultivation and exports, and other products.

The imminent completion of the \$24 million 16-inch trans-Israel oil pipeline linking the Red Sea with the Mediterranean was hailed as a giant step forward in Israel's economic development by Joseph Meyerhoff, president of Palestine Economic Corporation, in his annual report to the 10,000 PEC stockholders throughout the U.S. With an investment of \$2,500,000, PEC is one of the major participants in the international syndicate headed by Baron Edmond de Rothschild which will own and operate the 257-mile-long pipeline upon its completion by the Israel Government next June.

SEMINAR FOR JEWISH COMMUNITY EXECUTIVES IN EUROPE OPENS IN LONDON

LONDON, Feb. 25. (JTA) -- A three-day seminar for Jewish community executives opened here today under the auspices of the Central British Fund and the Joint Distribution Committee.

Twenty-five community executives and JDC representatives from Britain, Belgium, France, West Germany, Italy and Sweden are attending the seminar, the first of its kind. It was arranged in response to indications of increasing interest in opportunities for exchanges of experience and information among European Jewish community leaders.