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DR. GOLDMANN PLUNGES INTO ELECTION CAMPAIGN IN ISRAEL, JUSTIFIES ACTION

TEL AVIV, Aug. 3. (JTA) -- Dr. Nahum Goldman held his first "working session" today with leaders of the Liberal party before launching a schedule of election speeches at eight mass rallies throughout Israel beginning tonight.

The world Jewish leader, who arrived last night, was met at the airport by Liberal party leaders and a large corps of newsmen. He read a prepared statement in which he reiterated his position that he would not attack any other party in Israel in his campaigning for the Liberal party.

He also declared that whoever claimed that a non-Israeli Jew had no right to Israel was taking a dangerous approach leading toward a separation between Israel and Jews in other countries which could be dangerous, if not fatal for Israel. He said that there could be no separation between Israel and Jews elsewhere and that therefore the partnership between the two Jewries was not limited to philanthropy but included the right of the non-Israeli Jew to advise, comment and express views on the key problems, of Israel.

Commenting on his American passport, Dr. Goldman added later that if he had an Israeli passport he would not have succeeded in obtaining "those millions of dollars" for the survivors of the Nazi regime. The question, he remarked, was "how many millions for the Jewish nation is my passport worth?" He also stressed that when his house, now under construction in Jerusalem, was completed, he would settle in Israel and bring his family.

Mapai sources meanwhile indicated today they were dissatisfied about Dr. Goldman's participation in the Liberal party election campaign, claiming that his post as president of the world Zionist movement has been entrusted to him as a non-party personality. They asserted that his action in joining the Liberal party was done without consulting the Zionist Actions Committee and that he had sent letters to Zionists in the United States asking donations to the Liberals' election fund.

PROSECUTOR WILL DEMAND DEATH PENALTY FOR EICHMANN WHEN TRIAL REOPENS

JERUSALEM, Aug. 3. (JTA) -- Attorney General Gideon Hausner, chief prosecutor in the trial of Adolf Eichmann, will ask conviction of the former Gestapo colonel on all 15 counts of his indictment when the trial is resumed next Tuesday.

This was disclosed today amid indications that both the prosecutor and Dr. Robert Servatius, Eichmann's chief defense counsel, plan to try to trim their summations, which are the final phases of the trial. The trial had originally been scheduled to be resumed today but a postponement was forced by an illness suffered by one of the three justices. Binyamin Halevi. The Justice was improving and apparently will be ready for the new resumption date.

Twelve of the fifteen counts against the Nazi charged with master-minding the war-time slaughter of 6,000,000 European Jewish men, women and children carry the death penalty. The remaining three counts each carry a maximum penalty of seven years imprisonment.

It was reported that Mr. Hausner was trying to reduce his summation speech, which he originally said would take three to four days, to two days. He was now reported as planning to submit to the court charts and numbered lists of documents. This procedure will enable him simply to refer to the documents instead of reading out their contents.

Dr. Servatius also is planning to keep his summation to one day. He promised to provide court translators with a text in advance so they can prepare the exact Hebrew translation without any delay. The goal of the speedup is to keep the trial from running into the general elections on Aug. 15, which would be a certainty had the original summation schedules been adhered to.

After the summations, the judges will retire to study the testimony for a verdict which is not expected before the High Holy Days. Dr. Servatius has indicated he will appeal the expected guilty verdict.

ISRAELI JOURNALIST REPORTED SENTENCED IN SPAIN TO NINE YEARS IN PRISON

PARIS, Aug. 3. (JTA) -- Zvi Aldoubi, an Israeli Journalist, and Jacques Fenchon, a French companion on a foray into Spain, have been sentenced to nine and six years imprisonment respectively by a Spanish court, according to unconfirmed reports received here from Madrid.

According to the reports, the two men appeared on July 28 before a military tribunal in Barcelona, together with two Spaniards alleged to be involved in the same affair. They were charged with having attempted to create a subversive movement in Spain and with illegal import of arms and anarchist tracts.

Earlier stories had been to the effect that Aldoubi went to Spain on a clandestine bid to abduct Leon DeGrelle, the former Belgian Nazi leader, who is now living in Spain. According to the reports from Madrid, the two Spaniards were acquitted.

ISRAEL STARTS TO MANUFACTURE TRANSISTORS; DEFENCE MINISTRY AID SOUGHT

JERUSALEM, Aug. 3. (JTA) -- Sample transistors have been manufactured in Israel and production is expected which will eventually make it possible to end present imports of transistors, it was disclosed today.

The Ministry of Commerce and Industry recently named a committee of electronics experts to check bids received from several manufacturers seeking financial help from the Defense Ministry to start producing transistors.

The committee recommended "Elco," a company owned partly by the Israel Discount Bank and headed by Dan Tolkovski, a former Israel Air Force Chief who subsequently directed atomic energy developments from a post in the Prime Minister's office.

ISRAEL PLANS TO SELL \$500,000,000 IN BONDS DURING NEXT SEVEN YEARS

TEL-AVIV, Aug. 3. (JTA) -- The goal of another \$500,000,000 in Israel Bond sales in the next seven years was set yesterday by Jewish communal leaders from the United States, Canada and Latin America attending a conference sponsored by the Israel Bond Organization. A total of \$500,190,000 in bonds have been sold since the first campaign in 1951.

Dr. Joseph J. Schwartz, executive vice-president of the Israel Bond Organization, said that achievement of sales of the second half billion dollars would make it possible for Israel to populate the Negev. He called this "the next big step in the country's steady march to economic independence."

He also told the Jewish leaders that the projected sales of bonds would enable Israel to absorb a second million newcomers and complete other vital projects. One million immigrants have come to Israel in 13 years of statehood.

\$280,000 GIFT BY JEWISH FOUNDATION ASSURES GOYA PAINTING FOR BRITAIN

LONDON, Aug. 3. (JTA) -- A gift of 100,000 pounds (\$280,000) from a foundation set up by a British Jewish philanthropist assured today that a famous Goya painting will remain in Britain. The painting -- a portrait of the first Duke of Wellington -- was purchased last June by Charles B. Wrightman of New York, who paid 140,000 pounds (\$392,000) for it at an auction at Sotheby's Gallery.

When the painting was sold to the American, some Conservative members of Parliament urged withholding of the export license needed for shipping the painting from Britain. Mr. Wrightman then offered to sell the portrait to the British National Gallery for the price he paid for it, but the gallery did not have enough money to buy it.

At this point, the Isaac Wolfson Foundation stepped in with its offer and the British Government promised to put up the remaining 40,000 pounds. The Foundation was set up in 1955 by Isaac Wolfson, an Orthodox Jew who founded the Great Universal Stores chain, one of the largest in Britain.

Selwyn Lloyd, Chancellor of the Exchequer, announced the Wolfson Foundation Gift in Commons last night and the plan of the Government to provide the additional 40,000 pounds. He praised the generosity of the Foundation, which was established to advance education, health and youth activities in the British Commonwealth. Goya painted the portrait after the Duke routed the French at Salamanca in 1812.

'POWERFUL' INFLATIONARY PRESSURE ON ISRAEL'S ECONOMY IS PREDICTED

TEL AVIV, Aug. 3 (JTA) -- Israel's largest bank, the Bank Leumi, warned in a special report today that trends "exerting powerful inflationary pressure" on Israel's economy had accelerated in the first half of 1961 and were likely to continue to increase during the second half.

"In spite of substantial progress in the spheres of production, exports and foreign currency reserves, 1960 showed developments less favorable than 1959, due to the widening of the gap in the balance of payments on current account and a rise in the general level of prices," the report said.

Stressing that this trend had continued at an accelerated pace into the first half of this year, the report stated: "Restitution transfers and other capital imports, especially direct investments, are increasing and credit to the public is growing. All are contributing to the expansion of the money supply and exerting powerful inflationary pressure."

The report said that currently "prices and wages are rising and the deficit in the balance of trade also continues to rise." It predicted that since 1961 was an election year, "there is little likelihood that basic changes in economic and financial policy will take priority to the formation of a new Government toward the end of the year."

The bank emphasized that once a new Government was formed, "the authorities will have to face up to the urgent task of deciding on a policy to combat inflationary trends, raise the level of savings and improve the balance of trade."

Listing details in support of the forecast and warning, the report said that while production in Israel increased at a satisfactory pace during 1960, "the long hoped-for monetary stability which was achieved in 1959 was endangered during the following year. The money supply and price level both rose at a rate faster than that of 1959, under the pressure of West German restitution transfers" to Israeli beneficiaries "and increased purchasing power of the public."

The 1960 "monetary expansion" has reached the point of jeopardizing Israel's monetary stability, the report noted, citing the fact that the money supply rose in 1960 by 21 percent, compared with increases of 10 percent in 1959 and 14.5 percent in 1958. In all three years, the bank reported, the accumulation of foreign currency reserves and the expansion in credit to the public were the principal reasons for the expansion in the money supply.

Germany Paid \$101, 000, 000 Restitution to Individual Israelis in 1960

Asserting that the single most important factor in the rise was the foreign currency reserve accumulation, the bank reported that personal restitution payments from West Germany alone "reached a total of some \$101, 000, 000 in 1960." A large share of this "was converted into local currency, causing a marked expansion of the money supply."

Credit expansion to the Israeli public from banks in 1960 increased by 27 percent, "a rate which exceeded by far the rate of increase in production," the bank noted. It attributed the sustained high level of demand for credit to "the continued rapid pace of expansion of industrial production and the increase in exports" during 1960.

The report said that the index of consumer prices rose to 105.2 in 1960, which was four percent higher than the figure at the end of 1959. What was especially noteworthy, the bank asserted, was that "all the price increases took place in the second half of 1960, while the first half of that year showed a continuation of the 1959 trend of stability."

The price rise was attributed mainly to "a rise in demand resulting from a higher level of disposable income and an increased rate of restitution payments. In addition, prices were affected by the general rise in demand in money terms due to an expansion of the money supply which was not wholly offset by the increased supply of goods and services available from local production and imports." Prices were also boosted by the imposition of new or additional Government taxes and duties on a number of products.

As in past years, the bank reported, an unbalanced budget was set by the Israel Government. For the financial year ending in March 1961, "the budget exceeded that of the previous year by some 18 percent."

Revenue from U. S. Counterpart Funds Declined by \$22, 000, 000 in Year

"On the whole the 1960/61 estimates for the Israel development budget indicated a 25 percent increase in comparison with the figures of the previous year," the report said. "This occurred in spite of the fact that the revenue from the United States counterpart funds declined by 40, 000, 000 Israel pounds (about \$22, 000, 000) to a total of 100, 000, 000 pounds and that from the counterpart funds deriving from reparations payments" declined by another 5, 000, 000 pounds.

The bank said that the main sources to finance the development budget had been

expected to be the sale of debentures to Israeli investors but a very large proportion of investment funds went into the purchase of common stock.

The bank reported that unilateral transfers of foreign currency to Israel jumped nearly 20 per cent to \$300,000,000 and that this increase was due mainly to "the net increment to restitution payments which reached the net figure of \$98,000,000 in 1960."

The bank added that this "stream of personal restitution payments from Germany was likely to continue for several years," since it includes both non-recurrent payments and pension which will continue to be paid for some years to come." The report noted that reparations payments from West Germany to the Israel Government, though they increased slightly during 1960 to \$80,000,000, "are expected to contract drastically during the next few years and are due to cease in 1964 - 65."

HADASSAH TO HOLD FOUR-DAY NATIONAL CONVENTION IN DENVER THIS MONTH

NEW YORK, Aug. 3. (JTA) -- The 47th national convention of Hadassah will be held this month in Denver, Colorado, and will last four days, it was announced here today. The convention, which will open on August 20, will formulate the American and Israeli programs of the organization for the next twelve months. The parley will be attended by 1,500 delegates representing the 318,000 members of Hadassah in the United States and Puerto Rico.

Convention sessions will be addressed by outstanding personalities in various spheres of American and Jewish life, including U.S. Secretary of Labor Arthur J. Goldberg; Abraham Harman, Israel Ambassador to the United States; Michael Comay, Permanent Representative of Israel to the United Nations; Mrs. Siegfried Kramarsky, national president of Hadassah; and Dr. Kalman J. Mann, director-general of the Hadassah Medical Organization in Israel.

Z. D. A. CONVENTION TO DISCUSS RELATIONSHIP BETWEEN U. S. JEWS AND ISRAEL

NEW YORK, Aug. 3. (JTA) -- Crucial issues affecting the future of Zionism and the relationships between American Jews and Israel will be considered at the 64th annual convention of the Zionist Organization of America which will open here on Aug. 31, it was announced today.

Some 1,200 delegates and alternates will discuss and act on these issues and formulate plans to meet the increasing responsibilities of the ZOA in American Jewish life. The agenda includes plans to strengthen Zionism and measures to counter the forces of of assimilation in the United States. The keynote address at the convention opening session will be given by Max Bressler of Chicago, ZOA president.

CATHOLIC INSTRUCTOR TEACHES HEBREW AT YESHIVA UNIVERSITY COLLEGE

NEW YORK, Aug. 3. (JTA) -- A instructor at a Roman Catholic college was reported today to be conducting a summer institute in modern Hebrew for secondary school teachers at a Yeshiva University college.

Dr. Charles C. Daly, professor at the College of New Rochelle, is in charge of the program which features a new approach in oral-aural Hebrew language teaching in place of the usual reading and writing method. The program is being conducted for 37 Jewish teachers who live in a "language house" at the dormitory of the University's Stern College for Women in Manhattan. The speak only Hebrew.

The project is financed by the Language Development Program of the U.S. Office of Education through a \$58,000 grant under the National Defense Act. This was reported to be the first time that the study of Hebrew has been included in the defense act program.

FIVE YOUTHS ARRESTED IN NEW YORK FOR ATTEMPTING TO SET FIRE TO SYNAGOGUE

NEW YORK, Aug. 3. (JTA) -- Five youths, 11 and 12 years of age, were arrested here today for at tempting to set fire to a synagogue in the Bronx, New York City. The boys, whose names were withheld because of their age, were charged with juvenile delinquency and released in the custody of their parents pending a hearing in Bronx Children's Court.

Police said the boys set fire to a pile of newspapers and dried leaves on the porch of the synagogue because they mistakenly had thought that the synagogue's spiritual leader, Rabbi Isaac Gottlieb, had destroyed a small hut they had built in a nearby yard.

BRITISH IMPORT FROM ISRAEL DROPPED DURING FIRST MONTHS OF 1961

LONDON, Aug. 3. (JTA) -- United Kingdom imports from Israel for a four month period ending in April totalled \$20,770,8000 compared to \$29,971,200 during the same period in 1960, making for a decrease of some \$9,200,400, according to figures released today.