TALKS ON ISRAEL CABINET ENTER NEW PHASE; "CLUB FOUR" ADMITS FAILURE

JERUSALEM, Oct. II; (JTA) -- Mapai leader Levi Eshkol, continuing his efforts to assemble a new coalition under his mandate from President Ben-Zvi, returned today to the approach of negotiating with one party at a time.

The Finance Minister held a three-hour parley with the Liberal party after several weeks of talks with the Club of Four yielded no results. The Club of Four was an informal alliance of the Liberals, the National Religious Party, Mapam and Achdut Avoda organized for the coalition bargaining. The four-party group issued a statement today conceding failure at efforts to create a broad five-party coalition with Mapai and placed the blame for the failure on Mapai.

The Liberal party negotiators presented to Mr. Eshkol their conditions for joining Mapai in a new Government. These dealt with distribution of portfolios in the next Cabinet and with Liberal party demands for nationalization of the health services and abolition of foreign exchange restrictions. Liberal party sources told the Jewish Telegraphic Agency today that the initial meeting with Eshkol had not indicated any Mapai readiness to meet those conditions. The Finance Minister promised the Liberal party an early reply and another meeting was set for tonight or tomorrow morning.

Even as Mapai-Liberal negotiations were resumed, divisions continued within the Liberal party on the talks, some elements favoring staying out of a coalition in preference to joining a narrow one. Majority Liberal opinion, however, was understood to favor continuing negotiations with Mapai on a tough line of no yielding on conditions.

Bill Seeks to Limit Time for Negotiations for New Cabinet

Some members of Achdut Avoda were reported to be having second thoughts about the party stand of refusing to enter a small coalition, but there appeared little likelihood of the party breaking away from the politically like-minded Mapam to start separate negotiations with Mapai. The Mapam attitude was reported to be simply not to take any initiative for the time being.

Meanwhile, six parties in Israel's Parliament submitted a bill today which would limit the period in which a Premier-designate could negotiate for a new Government. The measure -- backed by Herut, the Liberals, Mapam, Agudas Israel, Achdut Avoda and the National Religious Party -- provides that if a Premier-Designate fails to form a Cabinet within two weeks after accepting a mandate, the President would be required to ask another Knesset member to undertake the task. The President, under the bill, could extend the negotiation period to 45 days if the Premier-Designate was able to report progress in negotiations.

Another bill introduced in the Knesset with the support of the same six parties calls for establishment of a Government authority with jurisdiction over the state radio and the central information office. Both are now in the jurisdiction of the Prime Minister's office.

BEN-GURION OUTLINES GOVERNMENT POLICY ON ARAB REFUGEES TO KNESSET

JERUSALEM, Oct. II; (JTA) -- Prime Minister David Ben-Gurion, speaking before Israel's Parliament, categorically rejected today "the insidious proposal" to give Arab refugees freedom of choice to return to Israel which he said was a policy calculated to destroy Israel.

He made the statement in reply to a Herut motion for a debate on the Government's policy on the refugee question. He said it would not occur to anyone to put the clock back and repatriate all of the estimated 20,000,000 refugees resulting from World War II to their pre-war homes.

The Prime Minister said there was documentary evidence that Palestinian Arabs, now listed as refugees, who left areas allocated to Israel by the 1948 United Nations partition recommendation, did so on orders of Arab leaders in the expectation of returning with invading Arab armies to destroy the new Jewish State and drive the Jews into the sea.

He said that all the Arabs who lived in Israel when the Jewish State was established still live in Israel and that they have been joined by some 30,000 Arabs whose return was arranged under a family reunion program of the Israel Government. The number of Arabs
who lived in the area allocated by the United Nations to Israel and who left voluntarily or on Arab leaders' orders is not greater than the number of Jewish refugees from Arab countries, the Prime Minister declared. He said that there had been an unplanned but effective exchange of populations and there was neither a practical possibility nor moral justification for "turning the clock back."

Says Jewish Refugees from Arab Lands Are Entitled to Compensation

Turning to the question of compensation for properties left behind by the departing Arabs, the Prime Minister stated that it would be "inconceivable" not to take into account the matter of properties of Jewish refugees from Arab countries and other parts of former Palestine.

"If compensation is to be paid—and we do not oppose compensation if the question as a whole is solved—then Jewish refugees are similarly entitled to compensation," he declared. He charged that the Arab refugee problem existed "entirely as a result of the violation of the United Nations charter by the Arab rulers and their callous treatment of their own people whom they treat not as humans but as a weapon with which to strike at Israel."

Some of the neighboring Arab countries, he noted, were under-populated and had plentiful resources and a manpower shortage but, to destroy Israel, their rulers—with the aid of the refugees themselves—were exploiting the situation as a political and military weapon against Israel.

He insisted the only "practical and fair solution" was to settle the Arab refugees among their own people in countries which have plenty of good land and water; if the Arab rulers comply with the UN decision and the principles of the UN charter and enter into direct talks with Israel for a peace settlement, Israel would, give all possible assistance toward resettlement of the refugees among their own people.

The Prime Minister told the Knesset he had not submitted this position to the Cabinet but that he knew it reflected the attitude of the entire Government with possible nuances of difference about relatively unimportant details;

He said he had no objection to a debate on the question and suggested it should be held shortly after the return of Mrs. Golda Meir, Israel's Foreign Minister, from the current UN General Assembly. The motion for debate was approved by a large majority.

Knesset Approves Bill for Compulsory Loan to Absorb New Immigrants

JERUSALEM, Oct. 12 (JTA) -- Israel's Parliament approved last night an Absorption Loan bill requiring Israeli taxpayers to make a loan to the Government during the next six months equal to about 12 percent of their income tax payments. The loan will provide an estimated 25,000,000 pounds ($14,000,000) to be used to absorb the increased number of immigrants.

Persons whose annual income tax is less than 162 pounds (about $90) will be exempt from the loan. Such persons constitute about half of Israel's wage earners. The loan will carry four percent interest and repayment over a ten-year period will start in 1968.

Israel Need No Exit Visas After Sunday; Army Reservists excepted

JERUSALEM, Oct. 12 (JTA) -- Army reservists planning to leave Israel for permanent settlement abroad will hereafter be required to submit applications for exit visas 90 days before the intended date of departure. An order to this effect was approved here today by the Committee for Security and Foreign Affairs of Israel's Parliament.

The Finance Committee of the Parliament today approved an Israeli Treasury proposal for an increase of 40 pounds ($22.40) in the foreign travel tax. The increase will replace the 40-pound fee charged for exit visas—a source of revenue which will terminate when abolition of exit visas becomes effective next Sunday. The Treasury acted to avoid loss of the revenue.

West Berlin Court Upholds Ban on Activities of Anti-Semitic Body

BERLIN, Oct. 12 (JTA) -- A West Berlin city ban on the activities of the Federation of National Students, an anti-Semitic group, was upheld today by the Supreme Administrative Court in West Berlin.

The students were caught singing Nazi songs and carrying swastika emblems in a West Berlin forest in January, 1960, during the period of an outbreak of anti-Semitic smearings in West Germany. The city then issued its ban on their activities as "illegal and unconstitutional." Members of the group have been barred from West Berlin universities.

Austrian Government Signs Extradition Pact with Israel in Vienna

VIENNA, Oct. 12 (JTA) -- Austria and Israel reached agreement here today on an extradition pact. Dr. Bruno Kreisky, Foreign Minister, and Dr. Christian Broda, Minister of Justice, signed for Austria; Nathan Peled, Israel's Ambassador to Austria, signed for Israel.
THREE-DAY CONFERENCE ON JEWISH VOCATIONAL PROBLEMS IN U.S. OPENED

DETROIT, Oct. II; (JTA) -- A three-day conference on the problems of placement of Jewish displaced workers, aged and handicapped opened here today under sponsorship of the Jewish Occupational Council. More than 100 vocational specialists from 26 cities in the United States and Canada are attending the parley.

Dr. Seymour L. Wolfstein, deputy assistant Secretary of Labor, will speak at the session tomorrow. He will discuss trends in the United States economy during the current decade with special reference to the developing patterns of employment and unemployment.

The Jewish occupational Council provides counseling to Jewish vocational services, federations and national organizations on trends and developments in vocational counseling, placement and rehabilitation of Jewish workers. The Council also coordinates the services of all Jewish vocational services throughout the United States and Canada. More than 100,000 individuals, both Jews and non-Jews, annually seek aid from this network of vocational services.

PIONEER WOMEN CONVENTION DECIDES TO RAISE $2,250,000 FOR ISRAEL

PITTSBURGH, Pa.; Oct. II; (JTA) -- Pioneer Women, the Women's Labor Zionist Organization of America, undertook today to raise $2,250,000 to finance the organization's welfare program in Israel over the next two years. The goal, which was announced by Mrs. Sidney A. Leff, president, was adopted at the organizations 17th biennial convention here.

The program, which will be carried out by Moetzet Ha'apalot, the Israel Working Women's Council sponsored by Pioneer Women, includes child care activities as well as agricultural, vocational and rehabilitation projects.

The American women's labor Zionist group was cited at the convention for promoting the sale of $17,000,000 in Israel bonds during the past decade. Mrs. A. M. Carlin, national chairwoman of the Women's Division of Israel Bonds, presented a plaque to Mrs. Dvora Rothbard, national Pioneer Women Bonds for Israel chairman, for the achievement, which included the sale of $3,500,000 in bonds during the past two years.

The more than 600 delegates attending the convention were told last night by authoress Marie Syrkin that new approaches to Zionism were necessary because of the fact that today's American Jews came from an untroubled background and secure environment in contrast to 'our fathers' immigrant generation.'

LATIN AMERICAN JEWISH YOUTH GROUPS HOLD PARLEY; 14 LANDS REPRESENTED

MONTEVIDEO, Oct. II; (JTA) -- The first Latin American Jewish Youth Organizations conference opened here today with the goal of creating closer ties between Jewish young people in the Latin American countries and in Israel.

Among those who addressed the 120 delegates from 14 countries at the initial sessions were Elihu Dobkin, head of the Jewish Agency's youth department in Jerusalem; Israel Ambassador Yitzhak Harkavi; Mark Turkow, World Jewish Congress representative; and Abraham Taffa, pioneering youth delegate who discussed the problems of Jewish youth in countries outside of Israel. The delegates named four committees to grapple with such specific questions as expansion of Hebrew education and setting up territorial and regional organizations of Jewish youth.

A concurrent youth conclave began deliberations with delegates from universities in Argentina, Brazil, Chile, Uruguay, Venezuela and Peru. The delegates agreed to a program to bring to Israel 30 students from their countries for a nine-month seminar. The seminar participants would pledge to spend two or three years, after returning from Israel, on the task of organizing Jewish students in Latin America.

The conference noted that only 10 percent of the 23,000 Jewish university students in Latin America were members of Jewish youth groups; Seminar participants will be chosen jointly by the youth group, the Jewish Agency youth department and Israel Embassies in Latin America.

BALTIMORE JEWISH HOSPITAL GETS $1,850,000 GRANT FOR CANCER RESEARCH

BALTIMORE, Oct. II; (JTA) -- A grant of $1,850,000 has been given to JItal Hospital of Baltimore by the National Cancer Institute for a seven-year program of research on chemical approaches to combating the disease, it was announced by Joseph Sherbow, president of the hospital.

Dr. Arnold M. Seligman, surgeon-in-chief at the hospital, is directing the program. He has been doing cancer research under grants from the National Cancer Institute since 1946. The new grant for $1,850,000 will permit experimentation with new drugs designed and prepared in collaboration with the Chemical Research Division of the Army Research and Development Laboratories.
GOLDA MEIR APPEALS TO U.S. JEWS TO MAKE ISRAEL 'ECONOMICALLY STRONG'

NEW YORK, Oct. 11; (JTA) -- Foreign Ministe Golda Meir of Israel said here tonight that it's stronger Israel--stronger economically, politically, and culturally--means a better prospect for peace with the Arabs. Threats and hostility cannot go on forever; I hope our Arab neighbors will come to the conclusion that they can gain more from peaceful relations with Israel and their economic and cultural ties with us than from continued hostility.

Mrs. Meir expressed her views of Israel-Arab relations before a gathering of 600 Jewish communal leaders of New York at a dinner in the Hotel Pierre. The event resulted in the sale of $1,000,000 worth of State of Israel bonds.

Stressing the importance of the bond effort to the expansion and economic development of Israel, Mrs. Meir said: 'I am certain that through participation in the Israel bond campaign, Americans will derive great satisfaction in the knowledge that they are partners in restoring Israel, the people and the country, and their ancient strength and glory.'

A plea for expanded economic aid and technical assistance to the Arab peoples in the Middle East was also voiced here today by Mrs. Meir in addressing a luncheon of the Overseas Press Club here.

Picturing the low standards of living in the Arab countries, she spoke of 'all the fantastic wealth in land, oil, water and other resources' possessed by the Arab countries that are hostile to Israel. By contrast, she pointed to Israel's accomplishments with fewer resources in a small area 'which is no different than the soil across our borders.'

U.S. CONSIDERS ISRAEL A 'SIGNIFICANT MARKET' FOR AMERICAN PRODUCTS

NEW YORK, Oct. 11; (JTA) -- Israel is a significant market for raw materials as well as finished products made in the U.S.A., Arthur Settel, official of the Department of Commerce in Washington, told the American-Israel Chamber of Commerce and Industry at a luncheon meeting today.

"The American people take pride in the progress and development of all nations which are devoted to peaceful growth, and Israel is a pre-eminent example," Mr. Settel said; "She has set an example by the astonishing revitalization of the land and people in less than 14 years of independent existence;"

"She has set an example by having exerted great moral influence in the new African and Asian States which have seen in Israel a model for their own development--since Israel, like them, had to start from scratch and weld together a heterogeneous population in a short time."

RABBI EISENDRATH PRESENTED WITH 1961 GHANDI PEACE AWARD IN NEW YORK

NEW YORK, Oct. 11; (JTA) -- Rabbi Maurice N. Eisendrath, president of the Union of American Hebrew Congregations, and Dr. John Haynes Holmes, Minister Emeritus of the Community Church of New York City, were presented today with the 1961 Ghandi Peace Award at a luncheon.

The awards were established last year by Promoting Enduring Peace, a non-political American religious and educational organization. Speakers at the luncheon were C. I. Jha, India's ambassador Plenipotentiary to the United States, Clarence E. Pickett of the American Friends Service Committee, and Socialist leader Norman Thomas. The award winners were honored for their efforts in seeking world peace through religion. The peace prize is represented by a permanent wood carving of Ghandi by Don Bernaron which is kept at City College in New York.

DR. DUJCYN, JEWISH PHILOSOPHER, WINS FIRST ARGENTINE NATIONAL PRIZE

BUENOS AIRES, Oct. 11; (JTA) -- A prominent Jewish philosopher and historian has been awarded the First Argentine National Prize in the field of philosophy; it was announced here today by the Ministry of Education, which sponsors the award. Dr. Leon Ducyn, who received the prize for his work "Value Theory and Philosophy of History," is the first Jew to be so honored by the Argentine Government.

Dr. Ducyn, who was born in Russia and was brought to Argentina by his parents shortly after the turn of the century, is active in Jewish and Zionist affairs here. He is well known internationally for his academic achievements.

HARRY GOODMAN, LEADER OF AGUDAS ISRAEL, DIES IN LONDON; WAS 62

LCNDON, Oct. 11; (JTN) -- The Agudas Israel European executive announced today the death of Harry Goodman, its chairman, at the age of 62.

Mr. Goodman had also been vice-president of the Agudas Israel World Organization, senior vice-president of the Union of Hebrew Orthodox Congregations, editor of the Jewish Post, the organ of the ultra-Orthodox group here, and a member of the Board of Deputies of British Jews. The Orthodox leader was a member of the Anglo-Jewish Association.