TRANSFER PACT TO CONTINUE, REICHSBANK SPOKESMAN STATES

BERLIN, Dec. 31. (JTA) -- A spokesman for the Reichsbank today informed the Jewish Telegraphic Agency that the Palestine-Germany transfer agreement, by which German Jews are permitted to emigrate to Palestine with a portion of their capital in the form of goods, will continue in effect for an unlimited period.

Because of various measures passed recently by the German Government placing embargoes on export of goods for which no foreign exchange is received, it was predicted in Jewish circles here that the transfer pact would be abrogated by Germany.

The Reichsbank spokesman also declared that the number of capitalists permitted to quit Germany under the transfer pact would not be reduced from twenty a month to ten, although no official decision on this, he stated, has yet been adopted. (To enter Palestine under the capitalist category, an emigrant must possess the equivalent of $5,000.)

ZIONIST BANNER DECREED OFFICIAL JEWISH FLAG BY NAZIS

BERLIN, Dec. 31. (JTA) -- The Nazi authorities today decreed that the Zionist blue-white banner is the official Jewish flag and may be displayed under protection of the police throughout Germany.

The decree is based on the flag law passed by the Reichstag at the Nuremberg session at which the anti-Jewish legislation was adopted. Jews are expressly forbidden by this law to display the German flag.

"It is up to the Jewish nation," the decree states, "to decide for itself which are to be the colors of the Jewish national flag, but until then the Zionists' blue-white flag, together with the symbols of all the different Zionist groups, is valid in the Reich as the Jewish flag and as such will be enjoying State protection."
"ARYAN" STENOGRAPHERS ORDERED TO QUIT JEWISH EMPLOYERS

BERLIN, Dec. 31. (JTA) -- Thousands of "Aryan" women office workers were faced today with the prospect of starting the New Year hunting for jobs when the Nazi Government, in a surprise order, extended the Nuremberg laws to apply to them.

The order prohibits "Aryan" women from working as secretaries and stenographers for Jews and instructs them to quit their jobs immediately.

This interpretation of the Nuremberg law, which places the office workers in the same category as serving girls (30,000 of whom are jobless today as a result of it) comes as an unpleasant shock to thousands who had no inkling that it was being planned.

150 JEWS SEEK TO QUIT REICH DAILY

BERLIN, Dec. 31. (JTA) -- A total of 150 Jews daily are seeking permission to emigrate from Germany to countries other than Palestine, it was disclosed today by the Hilfsverein, central Jewish relief organization.

READING MEMORIAL RITES TO BE HELD IN LONDON SYNAGOGUE

LONDON, Dec. 31. (JTA) -- Scores of leaders in every walk of British life joined today in sending condolences to Lady Reading and to Viscount Erleigh, son of the British statesman, who died yesterday. Among those from whom messages were received were King George, Queen Mary, David Lloyd George, Lord Hailsham and Ramsay MacDonald.

Lord Reading's body will be cremated at Golders Green tomorrow. Memorial services will be held Thursday afternoon at the West London Synagogue.

The Times, in a lengthy editorial today reviewing the services the Marquess rendered to Britain, declared: "His countrymen may reflect with profound gratitude that he lived to do them great services in the stage of life at which it is conventionally considered a career is over."

Lord Hewart, Lord Chief Justice (the position that Lord Reading previously held), asserted in an article in the London Daily Mail he was one of the greatest advocates of his time, embodying "all the best traditions of a profession that is proud to have numbered him among its members."

The Daily Telegraph terms him in an editorial "the most eminent and versatile British public servant of his race and faith since Disraeli," adding that "there could be no higher eulogy."

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MIKLAS HONORS JEWISH LEADER

VIENNA, Dec. 31. (JTA) -- President Miklas today conferred upon Max Schiffman, president of the Hakoah Sports Club, the Golden Order of Merit. Mr. Schiffman, who is head of the wholesale firm of Schiffman Brothers, is a member of the Jewish Community Executive.

AUSTRIA DEPORTS HUNGARIAN COUNT AS NAZI

VIENNA, Dec. 31. (JTA) -- Count Palffy, former Hungarian deputy was today ordered deported by the Austrian authorities for engaging in open Nazi propaganda.

REPORT COLONIAL OFFICE REJECTS ARAB DEMANDS FOR CURBS ON JEWS

JERUSALEM, Dec. 31. (JTA) -- The British Colonial Office has refused to comply with Arab demands for halting immigration of German Jews into Palestine, it is revealed in the usually well-informed Arab newspaper, El Liwaa.

The newspaper quotes the Colonial Office as replying to a memorandum submitted by Arab parties to High Commissioner Wauchope that the halting of immigration of German Jews cannot be discussed and citing the promise of Britain to the League to help in the establishment of a Jewish national home.

At the same time, El Liwaa says, the Colonial Office promised to safeguard Arab interests in connection with sales of Arab land to Jews by issuing in the near future a regulation forbidding the Arab peasant to sell land until he proves that he retains enough soil to support himself.

The Colonial Office reply, the newspaper says, referred to the recently proclaimed legislative council for Palestine as a step toward democratic government.

The Arab memorandum demanded restrictions on Jewish immigration and on land sales to Jews.

ARAB PAPER URGES ACCEPTANCE OF COUNCIL

JERUSALEM, Dec. 31. (JTA) -- Acceptance by the Arabs of the legislative council proclaimed by High Commissioner Wauchope is urged today in Palastin, Arab newspaper owned by Ragheb Bey Nashashibi, former mayor of Jerusalem.

DIZENGOFF NAMED MAYOR OF TEL AVIV

TEL AVIV, Dec. 31. (JTA) -- Meier Dizengoff was yesterday re-elected to the mayoralty of this all-Jewish city, which he has held for 25 years, at the first meeting of the newly-elected municipal council.

A coalition of right-wing members made possible his election despite the poor showing his own party made in the municipal elections.

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The re-election came as a surprise. Early election returns for the council members had indicated a Laborite majority, which would have insured naming of a labor mayor. But right wing candidates pulled up in the final tally and labor failed of a majority, winning six of the council's fifteen seats.

**PROF. McILWAIN HITS NAZI DESPOTISM; SEEKS CONSTITUTIONALISM ONLY ALTERNATIVE**

NEW YORK, Dec. 31. (JTA) -- Condemnation of the Nazi regime for reverting from a system of government by law to despotism is voiced by C. H. McIlwain, Eaton professor of Science of Government at Harvard, in the leading article in the January issue of Foreign Affairs, a quarterly review. The article, "Government by Law," makes a strong plea for constitutionalism as the only alternative to despotism.

"With a relentlessness that may remind some of us of German methods in the Great War," he wrote, "the Nazi leaders have broken with the cultural development of two thousand years and more, with Jewish and Christian morality as well as with Latin law and tradition.

"In all of these," he continues, "racial theory and authorization government found no formulated ideas or generally recognized conceptions of organization." So all must go, law must be remade, and a new history written.

Germany is cited as an outstanding example of a current-day crisis involving a struggle of despotism to overthrow liberalism, democracy and human rights. He sees the world as "now desperately trying to persuade itself that despotism is always benevolent."

"The amazing thing," he writes, "is that so large a part of the world seems to have succeeded in the attempt, in the face of examples of confiscation, persecution of religious belief, suppression of press and free speech, and even murder."

Prof. McIlwain sees the Nazis discarding what they call "the Jewish liberalistic principle" that what was not prohibited was allowed and, instead, making it possible for courts to punish acts not necessarily violating a law but "according to that law the underlying idea of which best fits it."

Holding this "the repudiation of everything for which Germany has stood since the Thirty Years War," he finds it hard to understand "the acquiescence of the civilized world. Startling as this repudiation of law is, it seems to have startled nobody....This easy complaisance is the measure of our common danger."

Seeing constitutionalism as the only alternative to despotism, Prof. McIlwain asserts, "We must choose one or the other. Dr.
Frank (former Reich Commissar of Justice) and the Nazi leaders in Germany have seen these alternatives more clearly than we and they have deliberately made their choice for will against law. Dare we make the same?"

Maintaining that the principles of our law are incompatible with the Nazi ideal, he traces the despotism of Nazism as having arisen because the social dislocation that followed the war forced the people, "faced with the hateful alternative of disorder or despotism," to choose the latter.

WHEN IS STORE JEWISH? NAZI COURTS DIFFER ON PROBLEM

BERLIN, Dec. 31. (JTA) — Legalists today were pondering the question of what, under the Nuremberg laws, constitutes a Jewish firm as a result of two directly contradictory decisions handed down by courts in Saxony.

In the first case, the Saxony Nazi Party charged that the Detcheck Coal Works, owned by Karl Detcheck, a Czechoslovakian Jewish national, was violating the Nuremberg laws by displaying the Nazi swastika flag. The court ruled in favor of the firm, declaring that since the concern had only five Jewish workers among hundreds of "Aryans" it could not be considered a Jewish firm.

In the second case, Herties Department Store in Plauen, Saxony, owned by Herman Tietz, a Jew, sued a number of Nazis to restrain them from picketing his store. The court ruled in favor of the defendants with the explanation that since the store's staff still included five Jews it could be considered a Jewish establishment and picketed as such.

DANZIG JEW DEPRIVED OF REICH CITIZENSHIP

BERLIN, Dec. 31. (JTA) — The first case of a Danzig resident losing his German citizenship under the Nuremberg citizenship laws is reported in the press here. Dr. Samuel Dingman, a Danzig-born Jew who elected to retain his German citizenship when the Free City was established, has been barred from German citizenship as a "non-Aryan" and, as a result, his right to practice medicine has been withdrawn.

WORLD JEWISH BODY CHARGES REICH BROKE SAAR PLEDGE

PARIS, Dec. 31. (JTA) — The Committee of Jewish Delegations, of which Rabbi Stephen S. Wise of New York is president, has submitted a memorandum to the League of Nations charging that Germany had violated its pledges to guarantee equality for minorities in the Saar for one year.

HOOFIEN SEES PALESTINE WEATHERING DIFFICULTIES

TEL AVIV, Dec. 31. (JTA) — The economic structure of Palestine is still solid despite the fact that the country is enormously

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richer today than it was five years ago, it was stated here by
S. Hoofien, director of the Anglo-Palestine Bank, at the annual
meeting of the Chamber of Commerce.

Because of the external and internal political situation, however,
Mr. Hoofien said it was impossible to make predictions for the
future. Nevertheless, he asserted, there is every reason to ex-
pect that the country will emerge from its recent difficulties
without serious damages.

He said that Jewish immigration "fertilizes the Pal-
estine soil, bringing wealth to the entire population."

Declaring his belief that the High Commissioner was treading the
wrong path politically, Mr. Hoofien advised that in inner unity
lay the only guarantee to safe passage through turbulent times.

U.S. OLYMPIC COMMITTEE SHORT OF FUNDS FOR BERLIN GAMES

NEW YORK, Dec. 31. (JTA) -- Only $16,000 of the approximately
$400,000 necessary to finance the American teams in the Berlin
Olympics has thus far been collected, it was announced by Avery
Brundage, chairman of the American Olympic Committee.

He admitted he anticipated difficulties in collecting the full
amount and told of a plan for setting up an endowment fund for
financing future Olympics.

WARBURGS GIVE $50,000 TO PALESTINE ARCHAEOLOGICAL PROJECT

NEW YORK, Dec. 31. (JTA) -- A $50,000 gift for archaeological re-
search in Palestine and Baghdad by Mr. and Mrs. Felix M. Warburg
was announced last night at the annual meeting of the board of
trustees of the American Schools for Oriental Research. It was
also announced Prof. Nelson Glueck of the Hebrew Union College,
Cincinnati, has been named director of the Jerusalem project suc-
ceeding Dr. W. F. Albright.

Mr. Warburg, a trustee of the school, presented the gift to Prof.
Millar Burrows, president.

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