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ARAB GUN-RUNNERS KILL' 2 POLICEMEN; 4 BAND LEADERS SEIZED; ARMY COURT TRIES U.S. CITIZEN

JERUSALEM. MARCH 7. (JTA) -- PALESTINE-LEBANON ROADS WERE CLOSED TO TRAFFIC TO-DAY AFTER TWO LEBANESE GENDARMES HAD BEEN SHOT DEAD WHEN THEY ATTEMPTED TO HALT A GUN-RUNNERS' AUTOMOBILE CARRYING ARMS TO PALESTINE. THE CLASH OCCURRED BETWEEN SIDON AND TYRE. THE SMUSGLERS ESCAPED.

MEANWHILE, 400 TROOPS AND POLICE CAPTURED FOUR HEAVILY-ARMED ARAB BAND LEADERS AFTER A SEARCH NEAR SHAFFREH VILLAGE IN THE VICINITY OF THE NORTHERN PALESTINIAN TOWN OF ACRE. THEY WILL BE TRIED BY THE HAIFA MILITARY COURT, EMPOWERED TO METE OUT THE DEATH SENTENCE. UNES TO MESON AND HAS BEEN HANAGED BY WILLY DREVENS, THE POUNDER'S SOM

THE "TIP" WHICH LED TO THE ARRESTS WAS GIVEN BY ABU ALEK, ONE OF THE 14 BANDITS ARRESTED IN THE WEEKEND BATTLE NEAR JENIN. ALEK PREVIOUSLY ADMITTED BEING ONE OF THE BANDITS WHO MURDERED AFRAHAM GOLDSCHLAGER, JEWISH GUIDE OF THE JUARRAH SETTLEMENT, ON FEB. 28. OF THE MANN AND THE EMPHELENCY OF THE MANAGEMENT.

WITH THE JENIN ANEA CLEANED UP BY TROOPS, ROADS WERE OPENED IN THE DISTRICT FOR THE FIRST TIME IN A FORTNIGHT, BUT CONTINUING TENSION KEPT ARMY DETACHMENTS STANDING BY AS 26 OF THE ARAB BAND'S CASUALTIES WERE BURIED, INCLUDING SHEIKH ATTIEH ACHMED, NOTOR-TOUS TERRORIST. THE JENIN AUTHORITIES WERE SUMMONED TODAY BEFORE THE NORTHERN DISTRICT COMMISSIONER TO RECEIVE ORDERS ON COMBATTING ARAB BANDS.

DESMANS TO PALEBYING AND TO U.S. CITIZEN TRIED FOR ROLE IN BOMBING DEDAL YEAR, SHOTCATION THAT THE

PLAN SO GEORGE KATIMY, 37-YEAR-OLD CHRISTIAN ARAB NATURALIZED AS AN AMERICAN CITIZEN, WENT ON TRIAL FOR HIS LIFE TODAY BEFORE THE JERUSALEM MILITARY COURT -- THE FIRST FOREIGN CITIZEN TO BE TRIED IN ONE OF THE FOUR-MONTH-OLD ARMY TRIBUNALS.

KATIMY, A GRADUATE OF TEACHERS COLLEGE, COLUMBIA UNIVERSITY, WHO RETURNED TO PAL-ESTINE LAST OCTOBER TO MARRY HIS CHILDHOOD SWEETHEART, IS CHARGED WITH COMPLICITY IN THE BOMBING OF A JEWISH WORKERS' CAFETERIA IN JERUSALEM JAN. 16 IN WHICH A JEWISH PASSER-BY WAS INJURED.

THE CASE AROUSED GREAT INTEREST IN THE AMERICAN COLONY HERE. UNITED STATES CONSUL-GENERAL GEORGE H. WADSWORTH PROVIDED KATIMY WITH AN ATTORNEY, THE AMERICAN-EDUCATED MOGHANNEM EFFENDI MOGHANNEM, AND ATTENDED THE TRIAL'S OPENING IN THE DEFENDANT'S INTERESTS. THE DEFENDANT'S 19-YEAR-OLD BRIDE WAITED IN AN ANTEROOM.

ALSO ON TRIAL IS ADDIEN HADDAD, AN ARAB CARPENTER, WHO IS HELD TO HAVE THROWN THE BOMB AND THEN TO HAVE JUMPED INTO KATIMY'S PLYMOUTH SEDAN, WHICH STILL CARRIED NEW YORK LICENSE PLATES. BOTH WERE ARRESTED ON THE SPOT.

A JEWISH WITNESS, SHLOMO HABER, TESTIFIED HE SAW AN ARM FLING SOMETHING FROM
KATIMY'S CAR, GAVE CHASE AND HEARD AN EXPLOSION. A JEWISH POLICEMAN, MAX BALHOM, SAID
HE SAW AN ARM THROW SOMETHING FROM THE CAR WINDOW. ELEVEN MORE PROSECUTION WITNESSES
WILL BE HEARD TOMORROW.

M.P. 'S DEMAND RESTORATION OF ABSORPTIVITY PRINCIPLE IN PALESTINE IMMIGRATION

LONDON, MARCH 7. (JTA) -- NINE MEMBERS OF PARLIAMENT INTRODUCED A MOTION IN THE HOUSE OF COMMONS TODAY DEMANDING REINTRODUCTION OF THE ABSORPTIVE CAPACITY PRINCIPLE IN PALESTINE IMMIGRATION.

IT WAS RELIABLY LEARNED THAT DR. CHAIM WEIZMANN, PRESIDENT OF THE JEWISH AGENCY FOR PALESTINE, WILL RETURN TO PALESTINE IMMEDIATELY AFTER THE GENERAL ZIONIST COUNCIL MEETING HERE, IN CONNECTION WITH YORK OF THE PALESTINE PARTITION COMMISSION.

LEIPZIG HOTELS BAR FOREIGN JEWS; BERLIN BANK "ARYANIZED"

BERLIN, MARCH 7. (JTA) -- IT WAS REPORTED TODAY FROM USUALLY RELIABLE SOURCES THAT A NUMBER OF FOREIGN JEWS WHO ARRIVED AT THE LEIPZIG FAIR WERE DENIED HOTEL ACCOMODATIONS AND WERE ADVISED BY HOTELKEEPERS TO INQUIRE FOR ROOMS IN "PRIVATE HOMES."

(THE TIMES OF LONDON REPORTED THAT NO AMERICAN FIRMS WERE REPRESENTED AT THE FAIR.)

MEANWHILE, THE "ARYANIZATION" OF JEWISH PRIVATE BANKS CONTINUED TODAY WITH THE TRANSFER OF THE BERLIN BRANCH OF J. DREYFUS & CO. TO MARCK, FINK & CO. THE DREYFUS CONCERN WAS FOUNDED 70 YEARS AGO, AND HAS BEEN MANAGED BY WILLY DREYFUS, THE FOUNDER'S SON, SINCE 1909.

NEWSPAPER REPORTS ON THE TRANSFER EMPHASIZED THE FINANCIAL SOUNDNESS AND SPLENDID FOREIGN CONNECTIONS OF THE FIRM. THE FRANKFURTER ZEITUNG STRESSED THE "LONG AND VALUABLE" TRADITION OF THE BANK AND THE EFFICIENCY OF ITS MANAGEMENT.

REPORTS ON THE TRANSFER NOTED "SATISFACTORY CHANGES OF STAFF," WHICH USUALLY MEANS
THE DISMISSAL OF JEWISH EMPLOYES, ALTHOUGH A FEW EXPERTS MAY HAVE BEEN TEMPORARILY RETAINED.

HAAVARA PACT EXTENDED FOR ONLY 3 MONTHS; SEEN LOSING REICH'S SUPPORT

BERLIN, MARCH 7. (JTA) -- THE HAAVARA AGREEMENT, UNDER WHICH JEWS EMIGRATING FROM GERMANY TO PALESTINE ARE ENABLED TO EXPORT PART OF THEIR CAPITAL IN THE FORM OF GERMAN GOODS, HAS BEEN RENEWED FOR THREE MONTHS INSTEAD OF THE USUAL YEAR, INDICATING THAT THE PLAN NO LONGER HAS THE FULL SUPPORT OF THE GERMAN GOVERNMENT.

IN THE VIEW OF OBSERVERS, THE AUTHORITIES NO LONGER BELIEVE THAT THE HAAVARA OPERATIONS FIT THE GENERAL ECONOMIC MEEDS OF THE COUNTRY. THE PLAN ORIGINALLY FURNISHED A MARKET FOR GERMAN GOODS AND KEPT PLANTS BUSY WHEN UNEMPLOYMENT WAS A SETIOLS PROBLEM, AND FURNISHED A MEANS OF GETTING RID OF JEWS WITHOUT PERMITTING CURRENCY EXPORT.

THE SITUATION AT PRESENT IS THAT WAR INDUSTRIES HAVE TAKEN UP THE SLACK IN EMPLOY-MENT. THE REICH'S CHIEF NEED IS FOR FOREIGN EXCHANGE, WHICH HAAVARA HAS NOT PROVIDED, WHILE TAKING RAW MATERIALS NEEDED BY GERMANY. THESE FACTORS ARE CONSIDERED A FORMIDABLE OBSTACLE IN THE WAY OF PROLONGED OPERATION OF THE PLAN. SINCE THE INAUGURATION OF THE GERMANY-PALESTINE TRANSFER AGREEMENT IN NOVEMBER, 1933, THE CAPITAL TRANSFERRED REACHED A TOTAL VALUE OF 77,800,000 MARKS, OR \$22,500,000, BY THE END OF 1937, IT WAS REPORTED LAST JANUARY AT A MEETING OF THE HAAVARA BOARD OF DIRECTORS IN PALESTINE.

NARAS BEAT JEWS IN WARSAW DEMONSTRATION

WARSAW, MARCH 7. (JTA) -- TWO THOUSAND MEMBERS OF THE ANTI-SEMITIC NATIONAL RADICAL PARTY DEMONSTRATED AGAINST THE JEWS TODAY IN CONNECTION WITH THE MURDER OF A CATHOLIC PRIEST IN LUGON, DISTRICT OF POZNAN, BY A CHRISTIAN COMMUNIST. THE DEMONSTRATION FOLLOWED A MASS MEETING AGAINST "COMMUNISTS, JEWS AND FREEMASONS." THE RIOTERS BEAT UP JEWISH PEDESTRIANS AND BROKE WINDOWS OF JEWISH SHOPS ON THE MAIN STREETS.

WITHDRAWAL OF SUPPORT FROM AUSTRIA PLAYS NAZIS' GAME, TIMES WRITER HOLDS

NEW YORK, MARCH 7. (JTA) -- MRS. ANNE O'HARE MCCORMICK, NEW YORK TIMES CORRESPONDENT, WARNED IN A VIENNA DISPATCH TODAY THAT WITHDRAWAL OF SUPPORT FROM AUSTRIA, THROUGH A BOYCOTT AND THROUGH GESTURES LIKE ARTURO TOSCANINI'S CANCELLATION OF HIS SALZBURG ENGAGEMENT. MIGHT "THROW THIS TREMBLING COUNTRY INTO THE ARMS OF GERMANY."

"Outsiders should remember that in a country where the division is so close compromise is a stark necessity," the dispatch said. "If Austria is to be saved it is not by forgetting this. It is not by gestures like that of Arturo Toscanini, withdrawing support just at the moment when it is most needed. It is not by putting this hard-pressed country, straining its spent forces to stand alone, under the same boycott as Germany's. That this is happening, at least in the United States, appears in telegrams pouring in at the Foreign Office from Austrian consulates in America and from Cancell-ations of orders for Austrian goods, received daily by exporters here. No action is better calculated to play the Nazi game and throw this trembling country into the arms of Germany."

HUNGARIAN MINISTER DEMANDS CHECK ON JEWISH INFLUENCE

SZENTES, HUNGARY, MARCH 7. (HAVAS) -- EDUCATION MINISTER VALENTIN HOMAN, IN A VIOLENTLY ANTI-SEMITIC SPEECH HERE, CALLED FOR DIMINUTION OF JEWISH INFLUENCE IN HUNGARIAN INDUSTRY, TRADE AND FINANCE.

HE WARNED THAT ALL JEWS WHO EMIGRATED ILLEGALLY TO HUNGARY AND WHOSE PRESENCE IS UNDESIGNALE WOULD BE EXPELLED FROM THE COUNTRY. JEWS, HE DECLARED, CANNOT BE ASSIMILATED INTO THE HUNGARIAN RACE.

DR. HOMAN ALSO ADVOCATED STRICT CONTROL OVER NEWSPAPERS, SOME OF WHICH, HE DE-CLARED, "ARE NOT YET INSPIRED BY THE RIGHTIST NATIONALIST SPIRIT." THE GOVERNMENT, HE ADDED, WILL PRACTICE A CHRISTIAN, NATIONALIST AND RACIST POLICY.

COMMITTEE ON COLONIZATION SET UP BY GENEVA CONFERENCE

GENEVA, MARCH 7. (HAVAS) -- A PERMANENT INTERNATIONAL COMMITTEE TO SUPERVISE MIGRATIONS FOR COLONIZING PURPOSES WAS SET UP TODAY AT THE CONCLUSION OF A CONFERENCE OF EXPERTS ON THE SUBJECT.

THE EXPERTS SAID THEY FOUND THAT PRESENT CIRCUMSTANCES FAVORED THE RESUMPTION OF MIGRATIONS PROVIDED THEY WERE SYSTEMATICALLY ORGANIZED AND DECIDED TO SET UP A BUREAU TO PROVIDE REGULAR INFORMATION TO THOSE INTERESTED.

ZIONIST COMMITTEE ASKS SUPPORT OF NEGOTIATIONS ON JEWISH STATE

NEW YORK, MARCH 7. (JTA) -- THE ZIONIST COMMITTEE IN SUPPORT OF A JEWISH STATE IN PALESTINE ON FRIDAY ADOPTED A DECLARATION OF PRINCIPLES IN NEGOTIATIONS FOR A JEWISH STATE. THE PURPOSE OF THE COMMITTEE, WHICH WAS FORMED AT A RECENT CONFERENCE OF REPRESENTATIVES OF ORGANIZATIONS, IS TO APPEAL TO ALL ZIONISTS AND JEWISH GROUPS TO SUPPORT THE LEADERSHIP OF THE WORLD ZIONIST ORGANIZATION, ESPECIALLY DR. CHAIM WEIZMANN, IN THE NEGOTIATIONS WHICH IT IS NOW CARRYING ON WITH THE BRITISH GOVERNMENT.

THE COMMITTEE SENT A CABLE TO DR. WEIZMANN IN LONDON DECLARING, "ZIONIST GROUP FOR STATE ASSURES YOU AGAIN OF OVERWHELMING SENTIMENT OF AMERICAN ZIONISTS AND JEWS FOR STATEHOOD STATUS WHICH MUST NOW REMAIN OUR FIXED GOAL." BERNARD G. RICHARDS IS CHAIRMAN OF THE COMMITTEE.

ORDER B'NAI ZION CELEBRATES THIRTIETH ANNIVERSARY

NEW YORK, MARCH 7. (JTA) -- THE THIRTIETH ANNIVERSARY OF THE ORDER OF THE SONS OF ZION WAS CELEBRATED LAST NIGHT WITH A DINNER AT THE HOTEL ASTOR ATTENDED BY 600 PERSONS WHO HAD CONTRIBUTED \$10,000 TO THE JEWISH NATIONAL FUND CAMPAIGN. PRESIDENT ROOSEVELT AND GOVERNOR LEHMAN WERE AMONG THOSE WHO SENT CONGRATULATORY MESSAGES. DR. ISRAEL GOLD-STEIN, PRESIDENT OF THE J.N.F., IN AN ADDRESS, SAID ESTABLISHMENT OF A JEWISH STATE OUTSIDE PALESTINE, AS PROPOSED BY ITALY, WOULD BE CONTRARY TO THE INTERESTS OF THE ZIONIST MOVEMENT. DR. HARRIS J. LEVINE WAS CHAIRMAN AND JOSEPH KRAEMER, GRAND NASI OF THE ORDER, PRESIDED.

MACMICHAEL RECEIVES JEWISH AGENCY DELEGATION

JERUSALEM, MARCH 7. (JTA) -- HIGH COMMISSIONER SIR HAROLD ALFRED MACMICHAEL TODAY RECEIVED MOSHE SHERTOK, DR. MAURICE HEXTER AND WERNER SENATOR, OFFICIALS OF THE JEWICH AGENCY FOR PALESTINE, TO MAKE THEIR ACQUAINTANCESHIP. HE IS EXPECTED TO RECEIVE A DELEGATION OF THE ORTHODOX AGUDATH ISRAEL ON MARCH 14.

TEL AVIV GETS \$250,000 LOAN

TEL AVIV, MARCH 7. (JTA) -- WILLIAM G.A. ORMSBY-GORE, BRITISH COLONIAL SECRETARY, HAS APPROVED A £50,000 (\$250,000) LOAN FOR TEL AVIV, MAYOR ISRAEL ROKACH ANNOUNCED TODAY AT A SESSION OF THE MUNICIPAL COUNCIL. THE MUNICIPALITY'S PLAN TO USE AN ADDITIONAL £50,000 FOR A MORE EXTENSIVE PUBLIC WORKS PROGRAM TO RELIEVE UNEMPLOYMENT WAS REJECTED, HE REPORTED.

LORD SAMUEL ARRIVES IN PALESTINE

HAIFA, MARCH 7. (JTA) -- LORD SAMUEL, FIRST BRITISH HIGH COMMISSIONER FOR PALESTINE, AND LADY SAMUEL ARRIVED HERE FROM EGYPT TODAY. THEY WERE GREETED BY PINCHAS RUTTENSERG, ELECTRICAL ENGINEER; AND LIEUT.-COL. FREDERICK H. KISCH. THEY WILL REMAIN AT MT. CARMEL UNTIL WEDNESDAY, WHEN THEY WILL GO TO TEL AVIV AND THENCE TO JERUSALEM.

CZECH JEWS WARNED AGAINST INTERNAL DISSENSION

PRAMA, MARCH 7. (JTA) -- JEWS WERE WARNED TODAY THAT THEIR INTERNAL QUARRELS WERE FURNISHING WEAPONS TO ENEMIES OF THE JEWS, IN A MANIFESTO ISSUED TO THE JEWISH POPULATION BY THE SUPREME COUNCIL OF THE JEWISH COMMUNITIES OF BOHEMIA, MORAVIA AND SILESIA. THE MANIFESTO CALLED ON THE JEWS TO AVOID INTERNAL STRIFE, SLANDER, DENUNCIATION OF JEWS AND ANY ACTS WHICH MIGHT PROVOKE THE JUSTIFIABLE RESENTMENT OF NEIGHBORS. IT URGED CONSTRUCTIVE WORK AND RELIEF FOR THE NEEDY.