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KNESSET PASSES BILL FOR NEW \$350,000,000 ISRAEL BOND ISSUE

JERUSALEM, Jan. 5. (JTA) -- The Israel Parliament today gave approval to the first reading of a bill authorizing the floating of a new \$350,000,000 "Israel Development Bond Issue" in the United States, Canada, South Africa and several European countries.

The new issue succeeds the "Israel Independence Bond Issue," which expires May 31 of this year. It will pay four percent interest in dollars and the bonds will mature in ten years. The bonds may be transferred as capital investment for promotion projects approved by the Israeli Development Authority.

Introducing the measure in Parliament, Finance Minister Levi Eshkol praised Henry Morgenthau and Henry Montor, leaders of the bond drive organization in the United States, for their work in promoting the first issue. He also assured the deputies that the new issue would not compete with the United Jewish Appeal.

American Jews Lauded for Response to Israel Bond Drive

Mr. Eshkol emphasized that "special recognition and appreciation" is extended by the Israel Government to the Jews of the United States for their "heartly cooperation" in the sale of Israel bonds. "We send greetings to the more than 500,000 Jews who purchased Israel bonds and to all the thousands and tens of thousands who worked day and night in this holy work," Mr. Eshkol said. "Greetings too go forth to members of the Board of Directors of the Bond Drive and all the workers who showed such unlimited devotion and together contributed to the success of this enterprise."

The bill was supported in the Knesset by representatives of the Mafai, Mizrachi, Progressives, General Zionists, Herut and Poale Mizrachi. The Mapam faction suggested that the bill be sent to a committee where Mapam members will propose amendments. The Communists voted against it.

In supporting the bill, Dr. Herbert Foerder, leader of the Progressives, said that "the rate of interest plus operating expenses of the Bond Drive still amount to less than the interest rate which the Israel Government is forced to pay for other loans." He emphasized that "the Bond Drive is one of the most important means of help extended to Israel."

Minister Eshkol, in his address to the Knesset, also praised Canadian Jewry and the Jews of Latin American countries for promoting the sale of Israel bonds in their lands.

U. N. DISSATISFIED WITH JORDAN'S REPLY ON TALKS WITH ISRAEL

UNITED NATIONS, N. Y., Jan. 5. (JTA) -- United Nations Secretary General Dag Hammarskjöld was reported today to be in consultation with the American, British and other delegations at the UN in connection with a reply he received from the Jordan Government to Israel's proposal for direct Israel-Jordan high level talks to review the armistice agreement.

Jordan's reply suggested that such talks be conducted through the Mixed Armistice Commission. The text of the Jordan communication was withheld from publication by the UN Secretary General who is understood to feel that it is not a definitive answer. It is understood that he will pursue the matter further with the Jordan Government. Menahem Kidron, member of the Israel delegation, was received, meanwhile, by Mr. Hammarskjöld.

It is understood that Mr. Hammarskjöld was strongly advised not to release Jordan's reply without some covering statement from himself as to the future course the UN was to follow in the light of Jordan's position. It was stressed here by all quarters familiar with the situation that the Jordan reply could not technically be called a rejection of the Secretary General's bid to a parley with Israel, but an evasion.

U. S. View Considered; U. N. Prestige Involved

The recent statement by Secretary of State John Foster Dulles at a press conference that he favored such a meeting and believed that it could be fruitful if good faith were shown by both participants, is understood to have had some weight with Mr. Hammarskjöld, even though British Foreign Secretary Anthony Eden has remained silent on the issue. It is generally recognized here that this is no longer a simple Israel-Jordan dispute, but a matter involving Jordan and the UN, with Israel on the sidelines.

UN prestige requires that the Secretary General bring Jordan to the conference table and the general impression in UN circles is that he will seek to use a number of means to accomplish this end. First, it is expected, will be another message to Jordan stressing its obligation to come to the parley. Second, and probably simultaneously with the first step, will be a move to get the United States and other willing powers to use their influence with Amman to secure assent. There was also talk here today of the possible dispatch of the Secretary General's envoy to Amman to press the issue.

Should Jordan remain intransigent, then the Secretary General could simply convene the conference on a specified date and summon both Israel and Jordan to attend. It is understood that the Israelis already have a tentative agenda prepared for submission to the parley.

If Jordan failed to obey the summons then the Secretary General would be justified in citing its failure to the Security Council as an action threatening peace. What action the Council could take beyond a resolution reprimanding Jordan and calling on it to obey the Secretary General is highly problematical.

The role of a defier of the UN might prove embarrassing to Jordan and its Arab League backers. Secretary Dulles, who only recently suspended U. S. aid to Israel because of Israel's alleged defiance of the Security Council, would have an awkward time in not taking similar action against Jordan in such circumstances.

U. N. PALESTINE COMMISSION REPORTS ON ISRAEL'S PAYMENTS TO ARABS

UNITED NATIONS, N. Y., Jan. 5. (JTA) -- The Palestine Conciliation Commission in its 13th progress report to the United Nations Secretary General issued today admitted that it had had "no opportunity of exercising its general function of conciliation" during the past year. The Commission is available to both parties to assist them in reaching an agreement. However, it received no specific request from either side last year for such aid.

The main work which the Commission did during 1953 was in connection with the release of blocked Arab refugee accounts. The Government of Israel, in a unilateral move, agreed to release as a first installment the sum of 1,000,000 pounds--at the rate of one pound sterling for one pound Israel--for these accounts.

After some hitches, which were overcome, the Commission reported by the end of September the total number of applications filed had reached more than 3,000, of which over half had been approved for payment. It estimated that when all the applications have been processed the total amount of the payments will be approximately 750,000 pounds.

The Conciliation Commission expressed its gratification that "a solution of the difficulties encountered was apparently reached, and that payment on the first installment of blocked accounts had been resumed."

The Commission said that it "considers that progress to date on the blocked accounts has been reasonably successful in view of the complex and unique nature of the operation." It added that it was "convinced that the final liquidation of this question will remove a constant irritant in the relations between Israel and the Arab states."

Cites Difficulties in Evaluating Arab Property in Israel

As far as its other main task is concerned, the identification and evaluation of Arab property in Israel, the Commission said it had found that the records were so poor that they made the work difficult. The Commission had, therefore, appointed a former officer of the Mandatory administration, Sami Hadawi, a recognized authority on land values in Palestine, to make the investigations.

In connection with the Arab protest over Israel's disposal of refugee property, the Commission said that it had received two letters from the Israeli representative. Both of them said that the action, which was an internal one, would not impair any legal claims of the Arab refugees and both reaffirmed the Government of Israel's "policy in regard to payments of compensation for abandoned Arab land in Israel."

The Commission's report also recorded the fact that it had sent a letter of protest to Prime Minister Ben Gurion over the Israel Government's action of moving the Ministry of Foreign Affairs to Jerusalem. The letter said that this action "would be incompatible" with the General Assembly resolution of Dec. 11, 1948.

ISRAEL PLANNING TO RENEW ITS PROTEST TO U. N. AGAINST SUEZ BLOCKADE

JERUSALEM, Jan. 5. (JTA) -- The Israel Foreign Ministry is considering a second protest to the United Nations Security Council against Egypt's blockade of the Suez Canal of Israel-bound shipping, it was learned here today.

Egypt recently announced that it had extended its blockade of Israeli cargoes from war materials to food, since the food added to Israel's "war potential." Last month, the Egyptian authorities halted an Italian freighter at Port Said, the Mediterranean end of the canal, and removed a cargo of 120 tons of kosher beef intended for Israel.

ISRAEL'S PROGRESSIVE PARTY URGES MORE FLEXIBLE FOREIGN POLICY

TEL AVIV, Jan. 5. (JTA) -- A demand that the new government of Israel being formed by Acting Premier Moshe Sharett have a more flexible foreign policy than in the past and a more liberal attitude toward the Arab minority in Israel, was voiced here last night by Dr. Pinchas Rosen, leader of the Progressive Party.

Addressing a meeting, Dr. Rosen also demanded that the new government should promote the Zionist movement in countries abroad. Commenting on the lengthy inter-party negotiations for the formation of a new Cabinet, Dr. Rosen said that if the deadlock is not broken soon the Progressive Party will reconsider its stand on entering the new Cabinet.

ISRAEL WILL SEEK COAL, LUMBER, WHEAT FROM USSR ON BARTER BASIS

TEL AVIV, Jan. 5. (JTA) -- Israel would like to purchase coal, wheat and lumber from the Soviet Union in exchange for textiles, rubber products and artificial teeth, it was learned after a reception in honor of the Russian and Bulgarian Ministers held here last night.

The party was given by the Israel Fuel Corporation to celebrate the arrival of the first cargo of 10,000 tons of Russian oil. It is understood that the expansion of trade between Israel and the USSR was discussed at the reception.

JEWISH AGENCY EXECUTIVE CONFIRMS APPOINTMENT OF NEW MEMBERS

JERUSALEM, Jan. 5. (JTA) -- The Jewish Agency executive, in its first meeting after the conclusion of the recent plenary session of the Zionist Actions Committee, yesterday confirmed the appointment by the Actions Committee of Meir Grossman, former Revisionist leader who recently joined the General Zionist Party, as head of the economic department of the Agency in Jerusalem. It also confirmed the appointment of S. Z. Shragai as new head of its immigration department.

Dr. Nahum Goldmann, co-chairman, reported on the steps taken to coordinate the activities of the Yad Veshem, Israeli national institution to honor the memory of the 6,000,000 Jews martyred by the Nazis; the Documentation Center in Paris, which is building a similar memorial; and the Yiddish Scientific Institute--YIVO--in New York. Dr. Goldmann also reported on plans for financing the activities of Yad Veshem.

35,000 TOURISTS BRING \$7,500,000 IN FOREIGN EXCHANGE TO ISRAEL

TEL AVIV, Jan. 5. (JTA) -- A total of 35,000 tourists visited Israel in 1953, and brought some \$7,500,000 in foreign exchange into the country, an increase of six percent over the income derived from tourists in 1952, it was announced here today.

HISTADRUT REPORTS ON AID TO UNEMPLOYED IN ISRAEL DURING 1953

TEL AVIV, Jan. 5. (JTA) -- The Histadrut, Israel's federation of labor, was able to provide some 2,500,000 working days for unemployed workers through a special unemployment fund for which it raised 5,000,000 pounds last year. I. L. Haskin, treasurer of the Histadrut, reported today. He also revealed that the Histadrut executive has approved a plan which will raise 3,400,000 pounds this year.

GERMANY PERMITS TRANSFER ABROAD OF BLOCKED RESTITUTION ACCOUNTS

FRANKFURT, Jan. 5. (JTA) -- In a new move to ease regulations governing the transfer of foreign currency, the West German Government has authorized the release for transfer abroad of blocked accounts below 10,000 marks (\$2,300) which were received as compensation and restitution payments by victims of the Nazis. This move will benefit many Jews and other victims who have been unable to take their funds out of Germany.

Application for such transfers must be made through the German bank where the blocked account is held. It must be accompanied by a certificate to the effect that no such application has been made in a different state. Also, this regulation applies to original recipients of compensation and restitution payments, not to persons who "acquired" them from other individuals.

PRO-ARAB LOBBYIST WINS CASE AGAINST HIGH GERMAN OFFICIAL

BONN, Jan. 5. (JTA) -- A Bonn court today fined Dr. Theodor Sonneman, Secretary of State in the Federal Ministry of Food and Agriculture, the equivalent of \$350 and costs as it upheld an earlier conviction of "slander" against Joachim Hertslet, a principal German figure in last year's campaign to block German Parliamentary approval of the reparations agreement with Israel. The fine is very high by German standards.

The plaintiff, Herr Hertslet, is a Bonn lobbyist and former Nazi specialist in international trade and propaganda, who reportedly took over direction of the Arab campaign in West Germany against ratification of the reparations pact. In 1952 he traveled through the Arab Middle East.

His complaint was based on an alleged statement by Dr. Sonneman to a food importer warning him not to deal with Hertslet because the government considered his activities "traitorous" and "harmful." Herr Hertslet also filed a slander suit against Dr. Walter Hallstein, State Secretary in the Foreign Office, and is suing the Bonn Government for alleged damages of \$200,000 in loss of business.

ISRAEL TO ORDER \$3,500,000 WORTH OF GERMAN TELEPHONE EQUIPMENT

TEL AVIV, Jan. 5. (JTA) -- Israel will order telephone equipment valued at \$3,500,000 as reparations from West Germany, A. Ben Menahem, director of the Israel Post Office, revealed last night prior to his departure for Germany. He said the equipment would be used in the setting up of an interurban telephone exchange.

U.N. BODY TO HEAR REPORTS ON DISCRIMINATION IN EDUCATION, EMPLOYMENT

UNITED NATIONS, N. Y., Jan. 5. (JTA) -- The United Nations Subcommittee on Prevention of Discrimination and Protection of Minorities today adopted a 15-item agenda which will consider a number of specific reports and programs for dealing with discrimination and minority problems. The Subcommittee session, which began yesterday, is expected to last four weeks.

The unit will receive an interim report of a study of discrimination in the field of education; will consider procedures to be used in studying discrimination in employment and education; will consider a general work program on preventing discrimination; will consider a program for the protection of minorities; will collect provisions for the protection of minorities; will make recommendations to governments of national, racial or religious hostility that constitutes an incitement to hatred and violence.

WEAPONS USED BY JEWS IN BAR KOCHBA REVOLT DISCOVERED IN ISRAEL

JERUSALEM, Jan. 5. (JTA) -- Jewish archaeologists investigating the area between Masada and Ain-Gedi, have unearthed clothing and the remains of utensils and weapons in what is believed to have been one of the caves used by the Jews in the Bar Kochba revolt against the Arabs more than 1,800 years ago.

Among the objects found were a woman's shoe, a child's shoe, glassware and earthenware, remains of ancient weapons and remnants of cloth woven as a prayer shawl. The earthenware and several other objects are known to be authentic remnants from the period of the Roman occupation of Palestine.

The archaeologists believe that the cave was one of a number linking Bar Kochba's headquarters with the Jewish fighting forces. They believe that the Romans attempted to capture the cave by throwing burning torches into it and making it uninhabitable. They believe that Roman soldiers, lowered from atop the cave by ropes, tossed the firebrands into the mouth of the cavern.

HADASSAH DEDICATES NEW SITE IN HULEH; RAISED \$1,200,000 FOR PROJECT

JERUSALEM, Jan. 5. (JTA) -- The Hadassah today dedicated a new site of 11,000 dunams (2,750 acres) of land in the Huleh area on which settlements will be established in the future.

The women's Zionist organization collected \$1,200,000 over the past two years for this specific project. Roads will be paved, bridges will be built and canals will be dug throughout the area in preparation for settlement.

PHILADELPHIA B'NAI B'RITH LEADER PRESENTED WITH INTERFAITH AWARD

PHILADELPHIA, Jan. 5. (JTA) -- In recognition of outstanding work in the field of human relations, William M. Gerber, prominent Philadelphia attorney, was presented with the B'nai B'rith Interfaith Award at an affair at the Warwick Hotel here.

Dr. Daniel A. Poling, chaplain of the Chapel of Four Chaplains and himself a recipient of the award in 1946, presented Mr. Gerber with a plaque and \$500 check honoring his selection as the Philadelphian "who has done the most to promote understanding and good will among people of all faiths." Mr. Gerber at once donated the check to the B'nai B'rith Henry Monsky Foundation.

More than 500 persons witnessed the presentation at the annual \$100-a-couple dinner, most outstanding event of the year for its sponsors, the B'nai B'rith Men's Council. Proceeds of the dinner go to support the philanthropic and communal activities of B'nai B'rith and maintenance of B'nai B'rith Hillel Foundations on campuses of colleges and universities in the Philadelphia area.

ISRAEL DIPLOMATS ATTEND FUNERAL OF LATE U.S. AMBASSADOR DAVIS

WASHINGTON, Jan. 5. (JTA) -- Members of the diplomatic staff of the Embassy of Israel, headed by Minister Plenipotentiary Reuven Shiloah, today paid the last formal respects of the Israel Government to the late Ambassador Monnet B. Davis at the Ambassador's funeral at Arlington National Cemetery. Three wreaths were laid on the grave on behalf of the Embassy and the Israeli Government.