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AGREEMENT ON NEW ISRAEL CABINET SIGNED BY LEADING PARTIES

JERUSALEM, Jan. 10. (JTA) -- Representatives of the Mapai and General Zionist Parties today signed an agreement providing for the reconstitution of the coalition government. Agreement on the principles involved came late last night after a four-hour meeting called by Acting Premier Moshe Sharett and attended by four top leaders from each of the two parties. Immediately after the agreement was signed, Mr. Sharett re-opened contact with Progressive Party leaders looking toward that party's return to the government.

It is understood that the agreement signed by the laborites and centrists provides that: both parties shall work for the inclusion of the other three parties now in the coalition--Progressives, Mizrachi and Poale Mizrachi--in the new Cabinet; a joint office of the Ministry of Trade and the Treasury shall be established to deal with import problems; and the new Cabinet will attempt to do away with foreign currency controls.

Also, that the election law be amended to provide that any party which obtains at least 4.2 percent of the total vote in a national election, or is entitled to five seats in the Knesset, shall be represented in the Knesset--those who receive less shall forfeit their total representation; and that the General Zionists shall name the Deputy Minister of Education.

With the newest wording of the proposed electoral law amendment meaning that the small parties now in the government shall be able to maintain their Parliamentary status, it is expected that the Progressives will re-join the government. Mapai sources hope to see a final agreement on a stable government reached this week.

SOVIET DEPORTS 10,000 FORMER RUMANIAN JEWS TO SIBERIA

ISTANBUL, Jan. 10. (JTA) -- Some 10,000 Jews living in former Rumanian territory have been deported by the Soviet authorities to Siberia, it was reported here today.

Meanwhile, the Free Rumanian Committee here reported that six more Zionist leaders are currently in Rumanian prisons following their trial and conviction last September. The six are: E. Kenner, Pascu Schaechter, Samuel Schittonowitzner, A. Horowitz, Iancu Tabacaru and Jean Cernauteanu.

NEW ISRAEL BOND ISSUE ANNOUNCED: \$75,000,000 TO BE SOUGHT IN 1954

NEW YORK, Jan. 10. (JTA) -- A new Israel Bond Issue to raise \$75,000,000 in 1954 for the economic development of the State of Israel, will be floated in the United States soon after April 1st of this year, it was announced today at the close of a two-day leadership conference here of the Israel Bond Organization.

The \$75,000,000 issue will be part of a total issue of \$350,000,000 to be sold in the next few years to enable Israel to achieve economic independence through the expansion of its industry, agriculture and commerce.

The decision to embark on a new bond effort, to be known as the Development Issue, was made by some 200 community leaders and members of the Board of Governors of the Israel Bond Organization on the basis of the action of the Government of Israel which officially authorized the organization to continue with the sale of Israel Bonds in the United States, Canada, Latin America and other countries where arrangements can be made to market the bonds.

Conference in Washington to Initiate Program

A decision was reached to convene a three-day National Planning Conference in Washington, D.C. on Friday, March 26th to initiate a program for mobilizing Jewish communities to participate fully in the economic expansion of Israel.

The Development Issue, which is to be registered with the Securities and Exchange Commission in Washington, D.C., will consist of 15-year coupon bonds bearing four percent interest per annum and 10-year savings bonds, appreciating 50 percent at maturity. The coupon bonds will be issued in denominations ranging from \$500 to \$100,000. The savings bonds will begin at \$100 and go up to \$10,000. A \$100 bond issued in 1954 will entitle the holder to a payment of \$150 at maturity in 1964. Both principal and interest will be payable in dollars.

Israel Development Bonds will be non-transferable for the first five years. However, purchasers of the new bonds, subject to limitations to be stated, will be eligible to obtain loans on their bonds up to 75 percent of their par value at any time within that period.

Religious, charitable or educational organizations which purchase bonds with funds intended for use in building or construction will have the right to the return of these funds for building or construction purposes at any time they may be needed prior to maturity.

Owners of Development Bonds will be able to convert them into Israel currency at any time for Development Budget investments in Israel or for tourist expenses. A "life insurance" feature of the bonds will enable the heirs or executors of the original purchaser to redeem the bonds at any time within two years after the death of the original purchaser.

Through the first Bond Issue, known as the Independence Bond Issue, subscriptions amounting to more than \$161,000,000 were obtained in the campaign that has been carried on since May 1, 1951. The sum of \$41,237,100 was obtained in the United States in 1953, bringing to \$137,152,000 the total amount of cash realized since the

Bond issue was floated here in May, 1951. Collections on unpaid commitments will continue until the end of the sale next May.

600,000 Israel Bonds Sold in U.S. Since 1951

Julian Venezky, chairman of the executive committee of the Israel Bond Organization, reported that more than 600,000 Israel Bonds were sold in various parts of the United States and Canada since May, 1951. Of the total, \$48,732,550 was realized in 1951; \$47,182,350 in 1952 and \$41,237,100 in 1953. "Proceeds from the Israel Bonds were channeled into the economy of the country through the Israel Treasury," he stated.

Henry Montor, vice president and chief executive of the organization, declared that the decision of the Israel Government to launch a second Bond Issue in the United States in 1954 represented "adoption of a policy of far-reaching importance in the relations between American Jews and the people of Israel." The wide response by American Jewry to Israel Bonds has demonstrated that Americans have faith in the capacity of the people of Israel to build their new democracy on solid foundations of economic stability, he said.

Pinchas Sapir, Director-General of the Finance Ministry of Israel, who flew here to consult with Israel Bond leaders on their future activities, said that the Israel Government regards the continuation of Israel Bond sales in the United States as "an indispensable factor in the development of our economy."

"Israel today has the most industrialized economy in the Middle East," Mr. Sapir said. "More than 120,000 persons were employed in industry, mining and handicrafts in 1953, representing about 22 percent of the total number of gainfully employed. The consumption of electric power for industry increased from 96,900,000 kilowatt-hours in 1949 to 128,500,000 kilowatt-hours in the first nine months of 1953."

U. J. A. FORMS 1954 CAMPAIGN HIGH COMMAND OF 75 PROMINENT MEN

NEW YORK, Jan. 10. (JTA) -- Seventy-five prominent men and women drawn from the nation's business, professional, cultural and religious fields have accepted key leadership posts in the 1954 campaign of the United Jewish Appeal and will share top-level responsibility for the planning and direction of the Appeal's nationwide effort to raise close to \$120,000,000, it was announced today by Edward M. M. Warburg, general chairman of the UJA.

Mr. Warburg noted that formation in full of the Appeal's campaign high command has cleared the way for the formal opening of the nationwide drive at a three-day National Inaugural Conference in Miami Beach February 19 through February 21.

Emphasizing that the Appeal has served since 1939 as "American Jewry's principal voluntary agency for the rescue and rehabilitation of Jewish victims of war and oppression, Mr. Warburg said the UJA has saved and aided more than 2,300,000 men, women and children in its 15 years of existence.

The following are among the officers of the UJA's high command for the 1954 campaign: Walter Bieringer, Rudolf G. Sonneborn and Rabbi Jonah B. Wise, national chairmen representing, respectively, the United Service for New Americans, United Israel Appeal, and Joint Distribution Committee, constituent agencies of the UJA. Morris W. Berinstein, Joseph Holtzman, Sol Luckman, William Rosenwald and Jack D. Weiler, national campaign chairmen; L. Edwin Goldwasser and Jacob Sincoff, national co-treasurers; Samuel H. Daroff, chairman of the National Campaign Cabinet.

NEW KING OF SAUDI ARABIA SAYS ISRAEL MUST BE "WIPED OUT"

NEW YORK, Jan. 10. (JTA) -- The new King Saud of Saudi Arabia was reported here today as having stated yesterday at his royal palace in Riyadh, capital of Saudi Arabia, that the Arab nations should sacrifice up to 10,000,000 of their 50,000,000 people, if necessary, to wipe out Israel.

The report, carried by the Associated Press, quoted the 53-year-old Arab monarch as stating: "Israel to the Arab world, is like a cancer to the human body, and the only way of remedy is to uproot it just like a cancer." He made his remarks in a speech to a visiting press delegation from Jordan.

He declared that the Arab nations never would hold direct talks with Israel because they did not recognize Israel as a nation. The Arabs lost Palestine to the Israelis in 1948 because they were not united and "not sincere in their actions and efforts," he added, and continued:

"Had we united then (in 1948) Israel would not have come into existence. Israel is a serious wound in the Arab world body, and we can not endure the pain of this wound forever. We don't have the patience to see Israel remain occupying part of Palestine for long."

IRAQ PREMIER URGES MERGER OF MAJOR MINISTRIES OF ARAB STATES

NEW YORK, Jan. 10. (JTA) -- The Arab League Council, which opened its meeting in Cairo yesterday, received a proposal from the Premier of Iraq, suggesting that the eight member states unify their Ministries of Foreign Affairs, War, Education, Finance and Economics, the New York Times reported today from Cairo.

The report also quoted the Iraq Foreign Minister as stating that Iraq would consider contributing a large share of her oil revenues for strengthening the Arab armies if a decision were made to tighten the links among the eight Arab states. There was no immediate reaction from the representatives of the other Arab states to the Iraqi proposal, the report said.

Dr. Fawzi el Mukhlis, Premier of Jordan, asked permission to refer to the Arab League political committee a request received from the United Nations Secretary General inviting Jordan to reconsider her attitude toward the Israel request for direct talks on border questions and other differences.

A session of the Supreme Arab Defense Council, composed of the Foreign and Defense Ministers of the Arab League states, is being held concurrently in Cairo. It was reported that "the principal item on the agenda would be consideration of measures for translating the Arab collective security pact into an effective instrument through coordination of defense policies."

ARAB LEAGUE COUNCIL TO DISCUSS GERMAN REPARATIONS TO ISRAEL

BONN, Jan. 10. (JTA) -- One item on the agenda of the Arab-League Political Council, which began meeting in Cairo yesterday, is action to be taken on the Jewish claims against Austria for restitution, it was reported here today from the Egyptian capital.

It is also reported that the question of German reparations payments to Israel will come in for some discussion. It is understood that Egypt will advocate a "restrained" and "moderate" course in relation to West Germany.

ANTI-ISRAEL GROUP VISITS STATE DEPARTMENT; CONFERS WITH DULLES

WASHINGTON, Jan. 10. (JTA) -- Secretary of State John Foster Dulles and Under Secretary Walter Bedell Smith met for over two hours this week-end with a delegation which recommended a course of action considered by Zionists to be flagrantly against the interests of Israel.

The delegation included Dr. Garland Evans Hopkins, executive vice-president of the "American Friends of the Middle East" and "representatives" of the Catholic, Protestant, and Jewish faiths who returned recently from a "fact-finding" trip to the Middle East sponsored by Dr. Hopkins' organizations.

Rabbi Morris Lazaron, a leader of the anti-Zionist American Council for Judaism, was described as the "representative" of Americans of the Jewish faith. The delegation also included Dr. Harold Fey, of the Christian Century, and John Cogley of Commonweal Magazine.

At the completion of the meeting, which was held in Mr. Dulles' office at the State Department, the delegation outlined to reporters the major recommendations submitted. These recommendations included suggestions that Israel "make restitution of some territory for the resettlement of Arab refugees, pay reparations, and meet obligations involving compensation."

The delegation stressed that American aid to Israel and Arab states "henceforth be on an impartial and proportionate basis"--which was explained as meaning that the delegation felt that aid to Israelis and Arabs should be assigned on a per capita basis. However, it was noted by a member of the delegation that economic aid for Israel may be entirely eliminated in the Administration's new budget.

ISRAELIS GRATEFUL TO U.S. JEWRY; WATCHING U.S. GOVERNMENT STAND

NEW YORK, Jan. 10. (JTA) -- Every Israeli is deeply grateful to American Jewry for the swift and courageous way in which it united behind Israel when the Jewish State was faced with the threat of withdrawal of United States aid and suffered censure by the United Nations during the recent Israel-Arab crisis, Dr. Israel Goldstein, president of the American Jewish Congress, reported at a press conference following his return from Jerusalem where he attended the sessions of the Zionist Actions Committee.

Emphasizing that Israel is always deeply concerned over the attitude of our government because it is an important factor in shaping the attitude of other powers toward it, Dr. Goldstein declared:

"We must remember that while President Eisenhower, in my opinion, is favorably disposed toward Israel, the State Department's attitude on the Middle East is governed by three factors--population, area and oil. On these scores, the Arab world carries tremendous weight with our State Department. Fortunately, the latter is also sensitive to American public opinion. This public opinion, sufficiently strong to overcome adverse State Department attitudes, has been effectively activated by the Zionist movement in America.

U.S. TO SEND PARTS OF AGRICULTURAL MACHINERY FOR ISRAEL

WASHINGTON, Jan. 10. (JTA) -- The Foreign Operations Administration has announced allocation of \$150,000 worth of parts for agricultural machinery and tractors for Israel. The source of material will be the United States, Canada, and European participating countries.

AMERICAN ORT ADOPTS VOCATIONAL PROGRAM FOR 17,000 YOUTHS

NEW YORK, Jan. 10. (JTA) -- A program to teach industrial skills and provide high school education for 17,000 Jews overseas, was adopted last evening by the American ORT Federation at the annual conference of its national board of directors here.

Dr. William Haber, president of the organization, reported that "an absolute minimum" of \$3,250,000 will be required by the World ORT Union during the coming year to implement its program. The conference approved a financial plan by which the American ORT organization will make available \$1,572,000, or about one-half the sum required to meet the total budget. The United Jewish Appeal will provide the largest portion of the American contribution, through an agreement with the Joint Distribution Committee. The Ford Foundation will provide \$22,000 for a specific project for training instructors for Israel's trade schools at the Central ORT Institute at Anieres, Switzerland. Women's American ORT, largest affiliate of the American ORT, will make up the balance through its membership activities.

Dr. Abram L. Sachar, president of Brandeis University, in an address to the conference, urged a code of "disciplined responsibility" upon spokesmen for American Jewry in view of the "decisive role in world affairs," that the American Jewish community plays. "The American Jewish community," he said, "has now become the most important settlement in all Jewish history. Many consequences follow from this extraordinary role."

ORGANIZATION TO FIGHT BIAS IN HOUSING FORMED IN HARTFORD

HARTFORD, Conn., Jan. 10. (JTA) -- An organization to fight discrimination in housing has been established in the Hartford area, it was announced here yesterday.

The group, known as the Greater Hartford Committee on Discrimination in Housing, is supported by some 25 religious, veterans, welfare, educational, fraternal and business groups. It will study the causes, nature and effects of religious and racial discrimination in public and private housing and will recommend remedial legislation to the State Legislature.

ARCHAEOLOGICAL EXHIBIT OF BIBLICAL LORE OPENED IN WASHINGTON

WASHINGTON, Jan. 10. (JTA) -- An archaeological exhibit of Biblical lore entitled "The Land of the Bible" was opened at the Smithsonian Institution today by the American Fund for Israel Institutions.

Among the exhibits is a large menorah cast in stone relief and taken from one of the earliest Jewish synagogues, built some 1,700 years ago. The Library of Congress has loaned several of its valuable Bibles, including the famed Gutenberg Bible, to the exhibit. Israel Ambassador Abba Eban tendered a reception at the Israel Embassy today to mark the opening of the exhibition.

JEWISH COMMUNITY IN CHILE TO START DRIVE FOR SALE OF ISRAEL BONDS

SANTIAGO DE CHILE, Jan. 10. (JTA) -- Leaders of the Chilean Jewish community, meeting here on the initiative of Isaac Hameiri, representing the American Financial and Development Corporation for Israel, voted today to establish a 25-man executive committee to function here as the agency of the American company in the sale in Chile of Israel bonds. Isaac Salomon and Leon Gomberof, prominent members of the Santiago community, will head the new committee.

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