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SAUDI ARABIA REJECTS ARMS PACT WITH U.S., STATE DEPT. ADMITS

WASHINGTON, Feb. 10. (JTA) -- A State Department plan to supply military aid to certain Arab States which are not contiguous to Israel failed today when the department confirmed that the Saudi Arabian Government had rejected the American arms offer.

The State Department's plan had been to give weapons to Iraq and Saudi Arabia to arm them against possible aggression. The department took the view that friends of Israel could not take exception to these arms shipments since neither country bordered on Israel. The Israeli Government, which objected strongly to the arming of any of the Arab States, pointed out that supply of American arms to any of the Arab states would upset the precarious balance of power in the Middle East and threaten the security of the Jewish State.

Critics of the State Department plan to give arms to the Arab States pointed out that there could be no effective safeguards against transfer of armaments from these states to states bordering on Israel which could employ them against the Jewish State.

JORDAN REPLY ON ISRAEL PARLEY BID NOT FINAL, HAMMARSKJOLD SAYS

UNITED NATIONS, N. Y., Feb. 10. (JTA) -- Jordan has neither accepted nor rejected a second bid to meet with Israel under the Jewish State's invocation of Article XII of the armistice, Dag Hammarskjold, Secretary General of the United Nations, said today. He told a press conference that Jordan, in its reply received here Monday, had not taken a definite stand either way but had raised the question of why such a conference was necessary and what could be accomplished in a meeting under Article XII which could not be accomplished in a meeting of the Israel-Jordan Mixed Armistice Commission.

Mr. Hammarskjold said however that "once the initiative has been taken by Israel for a conference with Jordan, then it is harmful not to follow this up. It would reflect unfavorably on the armistice agreements if the conference were not held."

The Secretary General pointed out that he was under legal obligation to convoke an Israel-Jordan meeting unless Israel withdrew its request. He noted that Jordan had asked for substantive reasons for holding the conference and said the matter would have to be "fully explored" before he could proceed to convoke the meeting. Mr. Hammarskjold expressed himself in favor of holding such a conference since, he said, it could agree on broad principles which could give new impetus to the work of the Mixed Armistice Commission.

Mr. Hammarskjold also expressed concern today over the situation resulting from the Soviet veto in the Bnot Yaakov case. He said UN truce chief Maj. Gen. Vagn Bennike was engaged in exploring with Israel Government officials the question of the Jordan hydroelectric project but emphasized that these talks were "exploratory"

FINANCE MINISTER ESHKOL OPPOSING CUTS IN ISRAEL BUDGET

JERUSALEM, Feb. 10. (JTA) -- Finance Minister Levi Eshkol was reported today standing firm against Parliamentary demands for sizeable cuts in the 1954-55 budget submitted recently by the Treasury to the Knesset. The General Zionists, second largest party in the Government coalition, want an overall 15 percent cut in Government expenditures. The proposed budget calls for a 216,300,000 Israeli pound regular expenditure and a special 145,000,000 Israeli pound development budget.

The Progressives, who are also members of the coalition, are calling for "qualified" cuts in the budget. They insist that the appropriations for health and education be left untouched but say that a reduction in the development budget cannot be avoided. The Progressives also urge designation of a permanent investigating body to maintain efficiency of all government branches.

The draft budgets do not provide for new salary increases. Mr. Eshkol declared that the 20 point increase in the cost of living over the past year, comparing to 29 for the previous year, did not constitute grounds for further increases.

The Government was also reported planning to tighten up tax collections by increasing punishment for convicted tax-dodgers to five years in prison and a 5,000 pound fine.

NEW ISRAEL BOND ISSUE WILL BE LAUNCHED IN UNITED STATES ON MAY 9

JERUSALEM, Feb. 10. (JTA) -- The new Israel Development Bond issue will be launched at mass assemblies in the United States, Canada and Latin America on May 9, the sixth anniversary of Israel's statehood, Henry Montor announced here today.

Mr. Montor, executive vice-president of the American Financial and Development Corporation of Israel, told a press conference here that the Knesset had already approved the entire issue of \$350,000,000. The first bond series, totalling \$75,000,000, he said, is expected to be sold in the first year.

He disclosed that the issue will also be offered in Holland and Switzerland while other states are expected to permit bond sales despite their currency restrictions since the bonds are repayable in dollars although they are purchased in local currencies.

The bonds will be repayable in 15 years, or ten if they are savings bonds, and will pay four percent interest. Bonds of the current Independence issue may be converted into the new Development bonds so that holders of the former, which only pay three and a half percent, will not be discriminated against.

Mr. Montor said that the Independence Bond issue had grossed \$136,000,000 and was Israel's main source of free dollars. In 1953, the first year in which Canada participated in the bond flotation, he said, \$7,000,000 of the year's total of \$41,000,000 came from there.

ISRAELI CITRUS SALES GOING UP, INDUSTRY SOURCES SAY

JERUSALEM, Feb. 10. (JTA) -- Israeli citrus exports are expected to establish an all-time high this season as a result of the weather conditions that destroyed a large part of the Spanish citrus crop and opened new outlets for Israeli growers.

Estimates earlier in the season that Israel citrus exports would run about \$20,000,000 were being revised upward today. Industry sources said today that Israel would export 7,000,000 cases, netting about \$30,000,000.

HUNGARIAN COURT REPORTEDLY ACQUITS TWO ZIONIST LEADERS

TEL AVIV, Feb. 10. (JTA) -- Two Hungarian Zionist leaders who were tried by a Budapest court on charges of conspiracy and undermining the security of the State have been acquitted by the State tribunal, it was reported here today from Budapest.

The two men were identified as Dr. Bela Denesh, head of the Labor Zionist movement in Hungary, and M. Galosh, president of the Zionist federation.

ITALIAN JEWS PROTEST AUSTRIA'S REJECTION OF JEWISH CLAIMS

ROME, Feb. 10. (JTA) -- The Union of Italian Jewish Communities has protested to the Austrian Ambassador here against the Austrian Government's action in breaking off negotiations with the Committee for Jewish Claims on Austria for a settlement of restitution and indemnification claims for Jewish victims of Nazism in Austria.

The Union took issue with the Austrian Government's contention that settlement of Jewish claims would tend to discriminate against other elements of the population. It pointed out that the Jews had suffered as special victims of the Nazis and that no other section of the Austrian population had been victims in the same manner.

It was also recommended that since the Austrian Government never took any action to prevent the extermination of the Jews in Austria, the government should now act to show the world that it does not intend to profit from heirless Jewish property. It was the disposition of the heirless property which became the sticking point in the late negotiations.

BERLIN JEWS HONOR JDC DIRECTOR TRANSFERRED TO ANOTHER POST

BERLIN, Feb. 10. (JTA) -- The Berlin Jewish Community held a farewell dinner last night for Sam Haber, director for Germany of the Joint Distribution Committee, who is leaving to take up his new post as JDC country director for Morocco.

Mr. Haber will be succeeded in Germany by James Rice who, for the past five years, has been the JDC director in Switzerland.

BAVARIAN COMMUNITIES DISCUSS PROBLEMS OF AGED AND ILL JEWS

MUNICH, Feb. 10. (JTA) -- Problems of the remaining Jewish communities in Bavaria, their social and cultural future and the situation of their old and ill members were discussed here at a meeting of representatives of the Association of Jewish communities in Bavaria and the Munich community.

ARGENTINE CHIEF RABBI COMES TO UNITED STATES ON CULTURAL TOUR

NEW YORK, Feb. 10. (JTA) -- The first chair of Jewish language and teaching in all of Latin America will be established at the University of Buenos Aires, Dr. Amram Blum, Chief Rabbi of Argentina, declared here today at a press luncheon sponsored by the World Jewish Congress.

Dr. Blum underlined the fact that the university, which is a state-supported institution, will finance the chair. Dr. Blum, who has been named the first professor to occupy the chair, has come to this country to study how similar chairs are administered in American educational institutions.

Speaking of the life of the 450,000 member Jewish community in Argentina, Dr. Blum stressed that under the government of President Juan Peron the Jews were guaranteed absolute freedom of faith. He pointed out that since the destruction of European Jewry by the Nazis, the Argentine community was the third most important in the world, coming after the American and Israeli communities.

Dr. Blum estimated that more than one-half of Argentina's Jews--from 250,000 to 300,000--live in Buenos Aires. All Jews in the city were organized in the Buenos Aires community, he reported, except some 50,000 Sephardic Jews who were organized in a separate community.

U.S. COURT'S DECISION CHALLENGES LEGALITY OF NAZI GOVT. ACTIONS

NEW YORK, Feb. 10. (JTA) -- A decision of the United States Court of Appeals was today described as establishing the legal principle that the acts of the Nazi government are not entitled to the respect granted legitimate governments.

The decision gave Arnold Bernstein, an American citizen, permission to introduce in court evidence of Nazi duress to force him to sell the franchise to a shipping line and two vessels operated by that line. The decision clears the way for a suit by Mr. Bernstein against the Holland-America Line for \$7,000,000. Mr. Bernstein contends that he was in a Nazi prison camp in 1938 when he was forced to part with the franchise of the Red Star Line and two ships, all of which were sold to the Holland-America Line. He was a German citizen at the time of his imprisonment.

The suit was originally begun in 1945, and in 1949 the Court of Appeals decided that it was not a matter for the courts, but for the executive branch of the government to pass on the validity of the acts of the Nazi government.

The latest decision, in which the court reversed itself, is based on a State Department statement that it was the policy of the United States Government "to undo the forced transfers and restitute identifiable property to the victims of Nazi persecution wrongfully deprived of such property."

The American Jewish Congress filed a friend of the court brief in support of Mr. Bernstein's original suit. Later, when Mr. Bernstein appealed the court's decision banning submission of forcible transfer, the AJC submitted another friend of the court brief to the Supreme Court.

QUEBEC BANS DISTRIBUTION OF LITERATURE OFFENSIVE TO RELIGIONS

MONTREAL, Feb. 10. (JTA) -- The Legislative Council--upper house--of the Quebec provincial parliament has given unanimous approval to an amendment of the Freedom of Worship Act which is designed to ban the distribution of literature offensive to religions. The measure, already approved by the Legislative Assembly--lower house--awaits the signature of the Governor-General to become law.

There has been some question in the press whether the bill will extend or limit freedom of worship. Replying to the charge that the bill was specifically aimed at the Jehovah's Witnesses sect, Provincial Premier Maurice L. Duplessis declared that it is aimed "at the abusive practice of launching insulting attacks at any religious profession in Quebec."

The Montreal Star, commenting on the measure, says there is a "general feeling of relief" over the fact that there is now available a means of banning distribution of such documents as the "Protocols of the Elders of Zion." The Montreal Gazette, heading its comment "An Unsettling Amendment," declares that the vagueness, scope and severity of the amendment breaks with the traditions of "guaranteed freedom (of religion), plainly and graciously backed by law."

EISENHOWER ASKED TO SPUR STATE DEPT. ON REFUGEE RELIEF ACT

WASHINGTON, Feb. 10. (JTA) -- The Washington Post called on President Eisenhower today to expedite administration of the Refugee Relief Act of 1953 by "giving a sharp prod to the State Department's administrator of the Bureau of Security and Consular Affairs."

In an editorial entitled, "Immigration Hoax," the paper charged that the refugee relief measure was a "dismal failure" and the fact that only four persons had been admitted under its provisions in six months was a "shocking disappointment."

Attributing the breakdown to "needlessly formidable" security guarantees, the paper advised the President that "the best of laws can accomplish little when there is no will to make it work; when the administrators are determined to use it for obstructionist purposes, it can serve no end save mischief."

LIONS CLUB HEAD SCORES JEWS OVER PALESTINE ARAB SITUATION

LOS ANGELES, Feb. 10. (JTA) -- Arabs in Palestine "are starving because of the Jews," according to S. A. Dodge, Detroit industrialist and president of Lions International, as quoted by the California Jewish Voice of Los Angeles.

Mr. Dodge, who visited Los Angeles to address a session of the Lions International California-Nevada district convention, was quoted in press interviews here as blaming the Jews for the Arab refugee problem. Mr. Dodge recently completed a visit to the Arab States. When a reporter for the Jewish Voice reached him here by telephone, Mr. Dodge said he had not been "allowed" to visit Israel. He was quoted as saying he had "many friends among the Arabs" who "showed me plenty."

The paper quoted Mr. Dodge as declaring: "When the Jews scream, we will send our sons to be slaughtered in the Middle East, just like we sent the Jews 60 million dollars."

CHICAGOAN PRESENTS LINCOLN LIBRARY TO HEBREW UNIVERSITY

CHICAGO, Feb. 10. (JTA) -- A Lincoln library is being presented to the Hebrew University of Jerusalem by Alfred Whital Stern, of Chicago, well-known authority on Lincoln. The presentation will be made Friday on Lincoln's Birthday.

Mr. Stern will present more than 1,000 rare volumes to the University. The collection and the Lincoln Room his gift creates will become the nucleus of a full department of American History and Culture at the University.

The donor, a director of the Chicago chapter of the American Friends of the Hebrew University, has given Lincoln collections to the Library of Congress and other institutions here. He recently gave the largest Civil War collection in existence to the Illinois State Historical Library.

The Lincoln Room will be the Hebrew University's first study room for American history and culture.

FEW JEWISH CHILDREN PARTICIPATE IN RELEASED-TIME PROGRAMS

CINCINNATI, Feb. 10. (JTA) -- Two and a half million children in the United States are availing themselves of released-time from public schools for religious education, according to a report presented to the National Council of Churches. A majority of the children are Protestant, and "a small number" are Jewish, the report states.

Under the released-time plan, children are given one hour or more weekly from their school schedules if they want to avail themselves of the periods for religious instruction.

ISRAEL-MADE FILMS BEING SHOWN TO UNITED STATES DISTRIBUTORS

NEW YORK, Feb. 10. (JTA) -- A series of motion pictures recently made at the new studios of the Israel Motion Picture Studios of Herzlia, Israel, is now being shown to American distributors, it was reported today by the Jewish Agency's Economic Department in New York.

The films now being offered here include three 4-minute items depicting life in Israel, a short on Hebrew songs and dances, a 40-minute featurette called "Jonathan And Tall," and a documentary "We Chose Life," which was produced on the occasion of Israel's fifth anniversary. The company is under contract to produce a documentary for the U.S. Government's Foreign Operations Administration depicting that agency's work in Israel.

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