TEL AVIV, June 29. (JTA) -- Arab recognition of the state of Israel and Jewish surrender of some of the territory assigned to Israel by the U.N. partition decision are the basic suggestions contained in U.N. mediator Count Folke Bernadotte's peace proposals to Israel and the Arab League states, it was unofficially indicated here today.

The Israeli Cabinet held a special meeting this morning to hear a report on Bernadotte's plan from L.M. Kohn and Reuben Shiloh, the Jewish liaison representatives at Rhodes. Following their report, little hope was held that the Palestine truce will be preserved after July 9. The impression gained here is that Syria and Egypt are preparing for the resumption of war, and it is quite clear here that unless the United Nations or the major powers intervene more energetically during the next ten days, fighting in Palestine will resume on a larger scale than before the truce.

Interest here now centers on political developments in Cairo. It is known that King Farouk has definitely spoken out against continuation of the truce in Palestine beyond the four-week period. Egypt's position as the extremist among the invaders was further emphasized by the deliberate attacks on Jewish settlements on the very day that Abdullah of Transjordan arrived in Cairo. Apparently Abdullah has once again assumed the role of the moderate in the Arab League.

In Syria renewed military activity has been reported, but it is not immediately clear whether the preparations are for a resumption of the Palestine war or as a precautionary measure against Abdullah in the event that he occupies the Arab portion of Palestine.

Both the Egyptian attitude and the Syrian preparations appear to be formidable obstacles to acceptance of any suggestions by Bernadotte for a continuation of the truce, even if Britain and the United States back the mediator.

As far as can be learned the Egyptians have thus far lost 600 killed and 400 wounded, while the Arab Legion and the Syrians have each lost 300 killed. The figures for the Lebanese and the Iraqis are not known. The Jews, on the other hand, have suffered 2,000 dead and 3,500 wounded.

The Arab losses, significantly, have been among trained troops who cannot easily be replaced. As Arab casualties mount—all observers agree that if the cease-fire expires heavier and more concentrated fighting with heavier casualties will be the order of the day—the Arab governments will face the possibility of political opposition and revolt at home.

**Last British Troops Expected to Quit Palestine Today**

BEIRUT, June 29. (JTA) -- The last British troops in Palestine are expected to withdraw tomorrow morning, it was reported here today. Britain's military commander in Palestine, Gen. Gowan H.T. MacMillan, refused today to attend a banquet in his honor in this city, Mayor James J. Ford, mayor of the municipality.
EGYPTIANS NOTIFY U.N. TRUCE COMMISSION THEY WILL PERMIT JEWISH CONVOYS TO GO TO NEGEV

TEL AVIV, June 29. (JTA) -- The Egyptian Government today informed the U.N. Truce Commission that it will permit supply convoys from northern Palestine to get through to the Negev settlements. Last week, Egyptian units fired on a U.N. plane in the sector and attempted to halt the passage of Israeli convoys to the southern colonies.

Meanwhile, the Arabs in lower Galilee have been breaking the truce almost continuously since June 11, an Israeli official communique declared today, revealing that the latest incident occurred Sunday. The communique added that the efforts of U.N. observers to prevent the violations have been to no avail.

An Irgun underground broadcast last night said that "possibly next week" Irgun troops will be fighting shoulder-to-shoulder with the Israeli army. The announcer added that "it is disappointing that 5,000 Jewish soldiers (Irgunists) were not sworn in" together with all other Israeli fighting men yesterday. It was learned that the Irgun units represent about eight percent of the total strength of the Jewish forces.

The Sternists today accused Prime Minister David Ben Gurion of preventing them from supplying their soldiers in Jerusalem. They insisted that the cease-fire agreement arrived at by "Ben Gurion, Abdullah and Bernadotte" is not binding on them.

JERUSALEM JEWS CELEBRATE AFTER TAKING LOYALTY OATH TO PROVISIONAL ISRAEL GOVERNMENT

JERUSALEM, June 29. (JTA) -- Jews in this city danced around bonfires last night, concluding a big day here in which numerous Jewish military units in this sector took the oath of loyalty to the Provisional Government of Israel. The dances highlighted a day of solemn ceremonies and pointed up the spirit of good comradeship existing between the officers and enlisted men of the Israeli Army.

"Should fighting be resumed after the end of the cease-fire period," 45-year-old Jerusalem area commander David Shaltiel declared today, "the Jewish section of Jerusalem will not be conquered and the Arabs know it." He said there is sufficient food and water for the civilian population and added that the Provisional Government of Israel "would not neglect the Holy City."

The first Jewish military trial began today in an Israeli military court here. The case of a Jewish officer charged with the fatal shooting of one soldier and wounding of another during a quarrel is being heard in the chambers of the High Court of the former Mandatory Power. The court president, prosecutor and defense attorney are all dressed in military garb.

Thirty physicians, nurses and patients who have been stranded in the Hadassah Hospital on Mt. Scopus since the institution came under Arab artillery fire during the Arab-Israeli fighting were transferred today to the Jewish sections of Jerusalem under the auspices of the U.N. Truce Commission. Damage caused by shelling of Jerusalem's biggest and most modern hospital, which is supported by the Hadassah organization in the U.S., as well as of the adjoining Hebrew University compound, is estimated to be well over several hundred thousand dollars, one of the returnees said today.

Dr. Eli Davis, deputy medical director of the Hadassah program, reporting on a recent visit to the hospital, pointed out that severe damage was inflicted by Arab shelling to the departments of internal medicine and surgery as well as to the children's section. All children were safely evacuated before the shelling began. The hospital's cancer research and bacteriological laboratories suffered particularly heavy damage, Dr. Davis said. During the present truce period, the Hospital and University area on Mt. Scopus remain cut off from the Jewish sections of the city. A Haganah defense guard has been posted in the area, in case Arab attacks should be resumed at a later date.
UPROAR OVER THE SOVIET UNION BREAKS OUT AT CONVENTION OF WORLD JEWISH CONGRESS

MONTREUX, Switzerland, June 29. (JTA) -- A half-hour uproar broke out here this morning during the third day's session of the World Jewish Congress when British delegate Dr. S. Levenberg, referring to a speech last night by Moshe Sneh, former member of the Jewish Agency, asked: "Do you really mean we should appear as an agency of Soviet propaganda?"

During the course of heated cross-discussion from the floor and the dais where the praesidium was seated, praesidium member Zerubavel and a number of delegates from the East European countries demanded that Dr. Levenberg withdraw his remarks. They were matched by the equally vociferous insistence of the British delegation that he be permitted to continue. After the intervention of Dr. Nahum Goldmann and a number of other delegates, Dr. Levenberg proceeded.

He explained that he fully recognized Russia's sympathetic attitude toward Israel and the fact that there is no anti-Semitism in the Soviet Union. He added that he sympathizes with the achievements of the Eastern European democracies. But, he questioned, "why is not Soviet Jewry represented here?" He also charged that there are Zionists imprisoned in the Soviet Union now, and asked why Jewish refugees were still fleeing Eastern European countries, including Romania.

Joachim Prinz, chairman of the administrative committee of the American Jewish Congress and head of the American delegation, took the parley that American Jewry continuously fights for the extension of freedom and democratic rights. Without these rights and the ability to criticize the government, it is possible that the U.S. recognition of Israel might not have come about, he asserted.

Other speakers included: Swedish Chiefs Rabbi Marcus Ehrenpreis; Dr. J. Kaven- sky of Argentina, who reported on the development and activities of the Jewish community in his country; Dr. L. Benedek of Hungary; Dr. V. Winterstein of Slovakia who said that the Czechoslovak Government continues its traditional pro-Jewish attitude; S.Z. Shragai of Israel; Dr. Adolph Berman of Poland; Dr. Joseph Rosentein of the British zone of Germany; and J. Raisky of France.

A 24-man praesidium was elected last night. It was chosen on the basis of the strength of various national delegations. Revisionist observers I. Yunichman and Joseph Klarman announced that they will recommend to their party that it affiliate with the Congress.

NO PROTEST RECEIVED BY U.S. OVER ALLEGED SHELLING OF ARAB LINES IN ISRAEL BY WARSHIP

WASHINGTON, June 29. (JTA) -- The State Department has no information that any U.S. warship has shelled Arab lines and has not received any protest from the Syrian Government on the matter, the State Department announced today.

There is "absolutely no foundation" for a report that a U.S. warship shelled Arab lines in Palestine, a Navy Department official said. He pointed out that the three U.S. vessels assigned to U.N. mediator Count Bernadotte's truce team are under orders "to take no part in any military operation."

BODY OF COL. DAVID MARCUS DUE TODAY FROM ISRAEL; ACCOMPANIED BY HAGANAH CHIEFS

NEW YORK, June 29. (JTA) -- The body of the late Col. David Marcus, Haganah Jerusalem commander who was killed on the eve of the Palestine truce, will arrive at LaGuardia Airport tomorrow accompanied by two "top Haganah men," Americans for Haganah announced today. Representatives of the Mayor's office, the Jewish War Veterans, Americans for Haganah and other groups will meet the plane.
CENTRALIZED JEWISH REPRESENTATIVE BODY FORMED IN POLAND: LONG NEGOTIATIONS ENDED

WARSAW, June 29. (JTA) -- The Council of Jewish Communities has joined the Central Jewish Committee, it was announced here today, following protracted negotiations. The new group will represent Polish Jewry both in matters affecting the internal life of the community and before the Polish Government.

Religious questions will continue to fall under the jurisdiction of the Council. The alliance of the two organizations provides that the Council also reserves the right to demand that all institutions run by the Central Committee be maintained on a Sabbath-observance basis.

CZECH GOVERNMENT GRANTS SUBVENTION TO SCHOOL TO BE SET UP IN ISRAELI SETTLEMENT

PRAGUE, June 29. (JTA) -- A grant of $70,000 was made here today by the Ministry of Education and Information towards the construction of a school to be established in Kfar Masaryk in Israel, a Hashomer Hatzair settlement named for the founder of the Czech Republic, Thomas G. Masaryk.

The school will offer academic and vocational training to approximately 200 Jewish orphans from Czechoslovakia. Under the terms of an agreement worked out by government officials and S. Ailon, a representative of the settlement, all equipment for the school will be purchased in this country from the subvention funds granted the school.

JEWISH LEADERS IN HUNGARY HAIL NEW LEGAL CODE AS STRONG MEASURE AGAINST ANTI-SEMITISM

BUDAPEST, June 29. (JTA) -- Jewish leaders here today welcomed the newly-announced penal code—which will soon become law—containing legislation against the display of racist and anti-religious sentiments.

Under the old Hungarian legal code, only instigation against religious, racial and national minorities was considered a punishable offense. The new law classifies as "fascist offenses" all contempt of persons based on racial, religious or national grounds. The new law makes the provocation of national superiority feelings a punishable offense. Jewish leaders interpret the new code as a "vigorous step forward in the fight against anti-Semitism."

PROF. GRAY LEAVES ON MISSION TO AID IN DEFENSE WORK OF JEWISH COMMUNITIES IN EUROPE

NEW YORK, June 29. (JTA) -- Prof. Herman A. Gray, chairman of the European Affairs Committee of the American Jewish Committee, today left for Europe on a mission connected with aiding in the civic defense work of European Jewish communities.

"Protection of the Jewish displaced persons and provision of adequate guarantees of civil rights in western Germany, in the event the projected West German state is established in the American, British and French zones, are among the major subjects to be investigated during a two-month mission to Europe undertaken by Prof. Gray," a statement issued by the American Jewish Committee said. "Arrangements whereby Jewish displaced persons' camps will not come under the jurisdiction of the proposed German state, but will remain the responsibility of Allied authorities will be discussed by him."

Prof. Gray will investigate the workings of the German restitution law and make recommendations to the appropriate authorities for strengthening of the law and the improvement of its administration. In England and France, Gray will be concerned primarily with the defense situation, conferring with leaders of the Jewish community in both countries regarding effective measures to combat anti-Semitism.
POST OFFICE DEPARTMENT ANNOUNCES OPENING OF AIRMAIL SERVICE TO ISRAEL; FIXES RATES

WASHINGTON, June 29. (JTA) -- The opening of regular airmail service between the United States and Israel was announced here yesterday by the Post Office Department.

The airmail rate is 25 cents per half-ounce, while the regular mail rate is five cents per ounce and three cents for each additional ounce or fraction thereof. Letters weighing up to four pounds, six ounces will be accepted, but must not include merchandise.

N.Y. POST REJECTS ADVERTISEMENT FOR IRGUN FUNDS; OPPOSES CIVIL WAR IN ISRAEL

NEW YORK, June 29. (JTA) -- The New York Post has refused to accept a paid advertisement appealing for funds for the Irgun following the split between the Irgun and the Israeli Government, it was revealed here by Ted Thackrey, editor of the paper.

"Although I have attempted to follow as free a policy as possible in permitting conflicting points of view to be aired in paid space identified by signature of a responsible organization, I simply did not feel that I could accept an appeal, couched in the most violent terms, for funds to promote the civil war in Israel between the government and the Irgun," Thackrey explained in an editorial.

Declaring that he mourns "bitterly and deeply" the Jews who died when the Israeli Government suppressed an Irgun attempt to land arms in defiance of the U.N. truce, the editor of the N.Y. Post said: "I would mourn the death of Israel even more, and all of my days. I cannot, and shall not deliberately assist in a course which I am convinced would promote that monumental graveyard."

AMERICAN JEWISH ARTISTS FORM GROUP TO ESTABLISH "COLONY OF THE ARTS" IN ISRAEL

NEW YORK, June 29. (JTA) -- The first group of young artists, actors, writers and musicians to found a "Colony of the Arts" in Israel is now being formed here, it was announced today by the Artists Group.

The group, which already has some 20 members, plans to start communal life in the United States prior to leaving for Israel. When they arrive, the artists will support themselves at various agricultural pursuits, but will also devote considerable time to their respective creative skills which they hope will develop more fully in a communal society. The group's headquarters is at the New York offices of the Sachalut.

BRITISH SHOLOM CONVENTION CLOSSES; DELEGATES URGED U.S. TO LIFT ARMS EMBARGO AGAINST ISRAEL

ATLANTIC CITY, June 29. (JTA) -- The 42nd annual convention of the Independent Order Brith Sholom concluded here today after adopting a resolution calling on the United States Government to lift the embargo on arms to Israel "in accordance with the will of the American people to fully implement its landable recognition of Israel." Nearly 1,000 delegates from 22 states attended the three-day parade.

The resolution pointed out that the Israelis needed the arms to defend themselves and that Transjordan is being supplied by the British. A second resolution urged President Truman to enact the report of the President's Special Committee on Civil Rights. The delegates also expressed opposition to the Munds-Nixon Bill as a peril to liberty and democracy.

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