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**ISRAEL CHARGES BRITAIN WITH SUPPLYING U.S. TANKS TO EGYPT; FIVE TANKS CAPTURED**

TEL AVIV, DEC. 16. (JTA) -- A spokesman for the Israeli Government today charged Britain with supplying the Arabs with American-made tanks. Five such tanks were knocked out by the Israeli Army on the Egyptian front in a battle ten days ago, the spokesman said.

The five tanks, it was established, were of an American model shipped to England in 1948. They were reshipped by Britain to Egypt during the past two months as reinforcements, the Israeli spokesman said. Each tank weighs seven tons and mounts a 75-millimeter gun and a heavy machinegun. These type of tanks were first seen in the Palestine war early this month.

(The War Office in London today denied that the five tanks were of a type made in the United States according to British specifications, or that Britain had recently sent them to Egypt, Reuters reported.)

**JEWISH AGENCY COVERS FIRST PAYMENT ON ISRAELI LOAN; BANK DEPOSITS RISE IN ISRAEL**

TEL AVIV, Dec. 16. (JTA) -- The Jewish Agency yesterday deposited \$2,000,000 in Israeli banks to cover ten percent of the \$20,000,000 national internal loan which the Agency agreed on June 15 of this year to guarantee, Eliezer Kaplan, Israeli Finance Minister, told a press conference here today.

According to the terms of the loan issue, one-tenth of the total was due to be repaid yesterday. The funds deposited consist in part of cash and in part of foreign exchange which can be used to pay for imports, as provided for in the terms of the issue.

Meanwhile, David Horowitz, Under Secretary for the Treasury, disclosed that the greatest part of the Israeli war budget has been raised internally, rather than from funds arriving from abroad. He announced that the major part of \$150,000,000 needed to provide housing for immigrants next year is expected to come from abroad. He also said that bank deposits throughout the country have risen considerably during the past three months.

The Israeli State Council today received proposals from the Cabinet Education Committee calling for a national education budget of \$6,400,000 and for the establishment of the first free education system in Jerusalem. The proposals of the Committee, headed by David Remez, Minister for Communications, would leave the country's education system unchanged until after the Constituent Assembly meets next year.

One-half of the Israeli education budget will be met by the government and the remainder by the Jewish Agency. Local authorities will nearly double the government's contribution, supplying \$11,000,000. It is estimated that some 2,500 teachers will be needed to teach 80,000 elementary school pupils, including 3,000 newly arrived immigrant children. In Jerusalem the government will provide two-thirds of the education budget, while the municipality provides the remainder.

ISRAEL READY TO MEET BRITAIN HALFWAY ON RECOGNITION, ISRAELI OFFICIAL INDICATES

LONDON, Dec. 16. (JTA) -- Israel is ready to meet Britain halfway if an approach is made on the recognition of the Jewish state, it was indicated in Tel Aviv by Walter Eytan in behalf of the Israeli Foreign Office, the British press reported here today. It was also reported that Eytan denied that Israeli forces violated the Transjordan frontier near the Gulf of Aqaba.

The London Times this morning carries a dispatch from Cairo asserting that if Transjordan leaves or is expelled from the Arab League, the League will collapse within a few months. Asserting that if this were to happen the League would "have only itself to blame," the Times says that ever since the U.N. partition decision the League has refused to face the facts, has misled the Arab masses and has permitted itself to be steered by extremists.

BEVIN ASKS U.N. MEDIATOR TO CONTACT ISRAELI GOVERNMENT ON DOWNED BRITISH PLANE

LONDON, Dec. 16. (JTA) -- British Air Minister Arthur Henderson today told the House of Commons that Foreign Secretary Ernest Bevin has asked the United Nations acting Palestine mediator, Dr. Ralph Bunche, to contact the Israeli Government in connection with a British report that an R.A.F. Mosquito was shot down near Tel Aviv on Nov. 20 by an Israeli fighter and crashed into the sea, killing two crew members.

Henderson stated that "if the mediator can establish the facts as we see them, we shall make strong representations to the Jewish authorities." Earlier, Conservative leader Anthony Eden pressed Henderson for specific information concerning the alleged attack on the British craft.

Opposition leader Winston Churchill asked why it was necessary to undertake a flight "over this very dangerous and delicate area." He later urged that the government pursue "this matter rigorously to ascertain whether cruel or outrageous measures had not been taken against our airmen."

The British Air Ministry, in disclosing the alleged attack on the R.A.F. plane, said last night that the craft was based in the Suez Canal zone and was on a high altitude training flight when it was fired on.

(Asked by correspondents in Tel Aviv today about the British report on the shooting down of an R.A.F. Mosquito, an Israeli Government spokesman refused to disclose the nationality of the downed plane. "Our fighter pilot spotted a Mosquito warplane that was not ours. Since we are at war, we had to assume it had hostile intentions and therefore it was shot down," he said.)

STERNIST LEADER TESTIFIES HE KNEW NOTHING OF GROUP WHICH ASSASSINATED BERNADOTTE

HAIFA, Dec. 16. (JTA) -- The trial of Nathan Friedman-Yellin, leader of the Stern Group, and his aide M. Schmalevitz, was adjourned in Acre today and will resume Monday. A lengthy cross-examination by the prosecutor highlighted today's proceedings.

Friedman-Yellin denied any knowledge of or connection with the "Fatherland Front," reportedly a splinter of the Sternist organization. He told the court that he had heard of this group only from newspaper reports. A leaflet signed "Fatherland Front" claimed responsibility for the assassination of Count Bernadotte, the late U.N. Palestine mediator.

**BRITISH FOREIGN OFFICE ESTIMATES ISRAEL HAS TAKEN OVER \$380,000,000 OF ARAB ASSETS**

LONDON, Dec. 16. (JTA) -- The Israeli Government has taken over 95,000,000 pounds (\$380,000,000) of Arab assets in Israel, according to an estimate made by the Foreign Office here for the British Government.

This calculation includes the value of Arab Haifa and Jaffa, now in Israeli hands, and will be used, British sources say, as a basis for figuring the amount of restitution to be paid to the Arabs by Israel.

No decision has yet been reached on a proposal made by the British Foreign Office that the bulk of the Palestine sterling balance in London should be held as security against ultimate settlement of the Arab refugee account by Israel. The amount involved is calculated here as about 35 to 40 million pounds.

While there have been certain limited releases of funds in Israel's account recently, these were held strictly to cover essential purchases from the sterling area, such as petroleum, wheat and other foodstuffs.

It is now learned that considerable sums have been released in the last few months to what is termed the "Arab Palestine account." No detailed figures are available, but there is confirmation that large amounts have been freed from the so-called "frozen No. 2 account" through Barclays Bank to the Ottoman Bank for payment in Nablus and Hebron.

This money, according to financial circles here, must automatically find its way to Amman, Transjordan, under present circumstances and thus provide substantial reserves of convertible sterling currency for use by King Abdullah's government.

It is becoming clear that the British Government is convinced that the great bulk of Arab refugees will not return to their homes and that alternative homes must be found for them without unduly upsetting existing social structures.

One serious resettlement problem, according to Middle East experts here, is that the introduction of large numbers of Palestine Arabs into Transjordan, Syria or Iraq would immediately produce a sharp social crisis in those countries. For the standard of life of the Palestine Arabs has been materially above that in the neighboring states. The consequences of such mass discontent among the resettled Palestine Arabs might be far-reaching and upsetting for the present regimes in those countries.

**U.N. SECRETARY-GENERAL OPTIMISTIC ON PEACE IN PALESTINE; LAUDS GENOCIDE CONVENTION**

NEW YORK, Dec. 16. (JTA) -- Optimism regarding the possibility of peace in Palestine was expressed here today by U.N. Secretary General Trygve Lie upon his return from the Paris session of the United Nations General Assembly.

Mr. Lie also expressed satisfaction with the adoption by the General Assembly of the genocide convention to outlaw the mass murder of racial and religious groups, and especially with the fact that the international pact, immediately after its adoption, was signed by the representatives of twenty governments. He also lauded the adoption of the Declaration of Human Rights by the Assembly.

HEAD OF SENATE JUDICIARY COMMITTEE SAYS CONGRESS WILL DEFINITELY LIBERALIZE DP LAW

WASHINGTON, Dec. 16. (JTA) -- Sen. Alexander Wiley, chairman of the Senate Judiciary Committee, in a statement to the press, asserted today that "beyond the shadow of a doubt," the new Congress will amend the present DP law to remove "its administrative snarls and iron out its inequities." The Judiciary Committee handles displaced persons questions.

The Senator also made public a letter he received a few days ago from Ugo Carusi, chairman of the Displaced Persons Commission, in which the latter points out that the complexity of the DP immigration law is one of the chief factors holding up progress in the program. Carusi also sharply attacked the disputed "cut-off" date in the law--which makes only those DP's who entered the refugee camps before Dec. 22, 1945, eligible for admission to the U.S., and thus bars thousands of Polish Jews who fled Poland to the U.S. zone in Germany soon after the outbreak of post-war pogroms in Poland.

Sen. Wiley listed five goals which he said should "remain among the most important ones in our future displaced persons policy." They are: 1. Fulfillment of our humanitarian responsibilities to the displaced persons, "irrespective of race, creed or national origin"; 2. Re-uniting of relatives and kin; 3. Adequate screening "against the possible infiltration of Soviet agents and subversive-minded individuals"; 4. Advancing the national welfare by trying to bring in persons who can fill manpower shortages in key job specialties; and, 5. Fullest cooperation with church, citizens and other groups seeking homes and jobs for the DP's "to avoid unnecessary delays and prevent dislocation among our own citizens."

REFUGEES URGED TO CLAIM THEIR PROPERTY IN GERMANY BEFORE EXPIRATION OF 1948 DEADLINE

PARIS, Dec. 16. (JTA) -- Joel H. Fisher, American Joint Distribution Committee General Counsel in Europe, today issued an emphatic reminder to former residents of Germany that it will soon be too late to make claims on non-German currency and security assets still being held in that country.

December 31 of this year has been fixed as the deadline for such claims, he pointed out, noting also that, under an agreement concluded between American, British and French military governments, the regulations apply to all non-German nationals, both Jewish and non-Jewish.

Insufficient publicity on the deadline date, Fisher declared, has left too many emigrants now living in Israel, the United States and other countries, ignorant of their rights. Prompt action is required if they are still to qualify for their rightful property, he added. Currency and securities involved are those being held in Germany under the terms of Military Government Law No. 53. Only non-German currency, and securities expressed in non-German currency, are involved.

For applications to warrant consideration, army regulations provide that they must be accompanied by evidence of ownership and proof that the property is free of external and internal restitution claims. Once title to a claim has been granted, the non-resident owner is free to remove his property from the country.

All applications for recognition of title should be sent to the office of the Finance Advisor, COMUS, APO 742, U.S. Army, if the property is located in the American zone. British zone claims should be filed with the British Finance Division and those located in the French zone of Germany should be addressed to the French Finance Division.

REVISION OF PRAYER BOOK BY PSYCHOLOGISTS URGED AT CONFERENCE OF JEWISH CHAPLAINS

NEW YORK, Dec. 16. (JTA) -- A recommendation that the prayer book currently used by Jewish chaplains be revised was presented yesterday at a conference of the Division of Religious Activities of the Jewish Welfare board. Frank L. Weil, president of the J.W.B., told the 52 chaplains attending the conference that Jewish chaplains have a greater responsibility in the armed forces today than during wartime.

Rabbi Israel Gerber, of Fitchburg, Mass., and Ronald Gittelschn, of Rockville Centre, L.I., emphasized that hospitalized Jewish veterans require special devotional literature and urged that prayer books prepared for Jewish veterans who are mentally ill be "carefully screened by psychologists and psychiatrists" to eliminate "many mystic elements from religion."

Z.O.A. URGES CHECKING OF UNAUTHORIZED EFFORTS FOR ISRAEL IN UNITED STATES

NEW YORK, Dec. 16. (JTA) -- A campaign against "the many unauthorized and uncoordinated efforts" which are now being launched in the United States on behalf of Israel was launched today by the Zionist Organization of America.

A resolution made public by the Z.O.A. requests that the United Palestine Appeal, the American Zionist Emergency Council and the American section of the Jewish Agency, as duly constituted Zionist bodies, assert their proper authority "to ensure an ordered and effective organization of all such activities on the American scene."

"At the same time the Zionist Organization of America announced today that within the next two weeks, three ships carrying gifts procured through the Food for Israel drive will leave from the harbors of New Orleans, Philadelphia and New York.

POLICY OF ARAB-JEWISH RAPPROCHMENT OUTLINED BY ISRAELI ENVOY AT MAGNES MEMORIAL

NEW YORK, Dec. 16. (JTA) -- Leaders of all walks of Jewish life tonight attended a memorial meeting honoring the late Judah L. Magnes, former president of Hebrew University in Jerusalem, who died here in October. Eliahu Epstein, Israeli representative in Washington, and former Governor Herbert H. Lehman, were among the principal speakers at the memorial, which was held at Temple Emanu-El.

Paying tribute to Dr. Magnes, Epstein said that although Magnes' practical suggestions to reach relations of mutual friendship and trust between Jews and Arabs may be outdated by now, his underlying conception is fully shared by the people and government of Israel today.

"While we consider the strengthening of Israel as the main guarantee for our survival, we will simultaneously launch a far-sighted and statesmanlike policy of rapprochement and understanding with the Arab countries," the Israeli envoy stated. "We wish to preserve and continue to develop the western features of our civilization. We must remember, however, that our destiny will depend in many respects on what will happen in the Middle East. Nothing would be more dangerous than to follow a policy of 'splendid isolation' or complete indifference to developments in Arab countries, Turkey, Iran and even India."

Lehman emphasized that "Dr. Magnes could have remained a greatly beloved and respected member of our American Jewish community, which offered him many honors and a safe and comparatively easy life. His deep-rooted interest and devotion, however, lay in Palestine."