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BEIGIN REPORTED RECOVERING

TEL AVIV, May 25 (JTA)--Doctors at Ichilov Hospital said today that Likud leader Menachem Beigin was recovering well from the illness that caused his hospitalization Sunday night and would be fit to travel to Washington for a meeting with President Carter if he becomes Premier, although he would have to limit some of his activities.

Dr. Shlomo Laniado, chief cardiologist at Ichilov, NRP List Of Conditions told reporters, however, that Beigin would remain in the hospital until Saturday in order to have a complete rest. He described the patient as feeling excellent today. Beigin was transferred from the intensive care unit to a regular ward and was ailowed out of bed.

Laniado described Beigin's ailment as an inflammation of the membrane surrounding the heart. Beigin NRP won 12 seats in the May 17 elections, two 64, suffered a heart attack in April, but was pronounced recovered and was able to participate in the final stages of the election campaign.

IL DEVALUED AGAIN; IL 9.44=\$1; TREASURY INTRODUCES IL 500 NOTE

JERUSALEM, May 25 (JTA)--The Israel Pound was devalued another 1.9 percent yesterday making it now IL 9.44 to the U.S. dollar. This was the 20th mini-devaluation since June, 1975. The continuing devaluation of the Pound is probably the cause of another innovation revealed by the Ministry of Finance yesterday, a IL 500 note. Up to now Liberal Party wing of Likud was elected chairman. the largest bill was the IL 100 note:

The new note bears the likeness of the late Premier David Ben Gurion against the background of the college at Kibbutz Sde Boker, Ben Gurion's kibbutz. The reverse side shows the golden gate of Jerusalem's Old City walls facing the Mount of Olives.

Meanwhile, the Finance Ministry has indicated that it does not plan to introduce any major economic changes because it does not want to be seen as Labor Alignment is conducting secret negotiations dictating to the next government. There were news reports today that the Ministry wants to increase the foreign currency allocation for Israelis traveling abroad from \$450 to \$750. But it was indicated this would not be done without consulting first with Likud's economic experts.

LIKUD, NRP HOLD COALITION TALKS By Gil Sedan

JERUSALEM, May 25 (JTA)--Likud opened negotiations with the National Religious Party (NRP) in Tel Aviv today aimed at putting together a new coalition government. Likud sources said afterwards that the talks were held with "considerable warmth." They also said that yesterday's coalition talks with the Democratic Movement for Change were conducted in a "good atmosphere."

Likud is apparently anxious to form a broadly based government as quickly as possible and present it to the Knesset for approval within a month. The talks with the DMC and those with the NRP today were held in the absence of Likud leader Menachem Beigin who was hospitalized Sunday night. In the interim, a joint Likud-NRP committee was set up to discuss the structure of the next government and decide how many and which Cabinet portfolios the NRP would receive in a Likud-led regime.

The NRP would seem to be a natural coalit-ion partner for Likud inasmuch as they share hardline views on territorial concessions and approaches to peace with the Arabs. But the religious faction has made it clear that it will extract the maximum concessions from Likud and will demand a more senior role in government than it had in its coalitions with the Labor Alignment.

NRP leader Yosef Burg said before the beginning of today's talks that the party would submit a long list of conditions for its participation in a coalition government. "I don't understand why the DMC (with 15 seats in the new Knesset) should get more important portfolios than us since more than it has in the outgoing Knesset.

It wants a continuation of the status quo on religious affairs but is expected to demand an expansion of religious education. Burg indicated that his party would not involve itself much in political solutions of the Middle East conflict and would leave that to be settled between Likud and the DMC should the latter agree to join a coalition.

The feeling among observers after the preliminary Likud-DMC talks is that the two factions would find common ground for a coalition. It was hinted in some circles that if Leon Dulzin of the of the World Zionist Organization and Jewish Agency Executives, the way would be open to assign the key portfolio of Foreign Minister to the DMC. The latter was said to be under mounting pressure from within its ranks to join a Likud-led coalition. DMC and Likud leaders are scheduled to hold a second round of talks tomorrow.

Meanwhile, according to some sources, the with the DMC and the NRP on the possibility of forming a minority coalition. Without the NRP, Labor, DMC and the two Aguda factions--Aguda Israel, with four seats, and the Poalei Agudata with one seat--could muster only 52 Knesset votes but they would ostensibly be assured of the support of the Rakah Communists with five seats, Sheli with two and one each from the Civil Rights Party, the Independent Liberal Party and the Laboraffiliated Arab List. Under such an arrangement a Labor-led coalition would have a slim majority of 62 Knesset seats.

CARTER, FAHD SAY OIL WILL NOT BE USED AS POLITICAL WEAPON IN MIDEAST By Joseph Polakoff

WASHINGTON, May 25 (JTA)--President Carter and Crown Prince Fahd of Saudi Arabia ended two days of talks today. Emerging from their final 90-minute meeting at the White House, Carter said that "so far as I know there are no disturbing differences at all" between them and "there is no threatened (oil) embargo at all." (Meanwhile, reports from Israel said the U.S. has a peace plan draft calling for a two-stage Israeli pullback. See story P. 3.)

Both the President and Fahd told reporters that

oil will not be used as a weapon to coerce the United States in its relationship with Israel during the search for a Middle East settlement. Carter said he had been personally assured by Fahd that the threat was a "completely false report." Fahd repeated to reporters that Saudi Arabia would not use oil in the political process.

Carter's remark that there were "no disturbing differences" immediately produced speculation that the President and the Crown Prince had reached an understanding on how to settle the Arab-Israeli conflict. Fahd had talked consistently about the "Palestinian issue" which he said is the "core" of the conflict. He spoke of a Palestinian "homeland" but in his public remarks he did not mention the PLO. President Carter did not speak of the PLO either.

But White House Press Secretary Jody Powell said yesterday that Carter and Fahd had spoken of "safe and secure boundaries" for the "homeland" which would apparently establish the "homeland" as a state. If the "homeland" presumably would be a territory adjoined to Jordan, the White House spokesman would have referred to Jordan's borders, it was said here.

With respect to the oil embargo threat, Egyptian Foreign Minister Ismail Fahmy said on Sunday that the Arabs would use the oil weapon. That statement followed other Middle East reports to the same effect Fahd, in an interview with a Beirut newspaper, made it plain that an oil embargo was a possibility.

Arab Diplomats Elated With The Talks

Meanwhile, Arab diplomats and correspondents were described today as "elated" with results they understand Fahd has attained in his conversations with Carter and his principal aides. Twice yesterday and once today "they feel he is working miracles," a source with the Saudi Arabian entourage told the Jewish Telegraphic Agency. "They are very optimistic the President will soon say he favors a Palestinian state."

In his toast at the White House dinner last night, Carter emphasized the Saudis gifts to Americans and the vast economic interests that link the two countries politically. Saudi Arabia, the President said, has "about \$60 billion invested in our country, and they are one of our largest customers since we sell them about three-and-one-half billion dollars worth of U.S.-produced goods each year. This trade relationship is very important and it helps to tie us together in dealing with political problems which we face in a mutual way."

Characterizing the current Saudi-American discussions as "very productive," Carter said, "we told them that our deep commitment was to the security and peaceful existence of Israel and they understand this very well. And we emphasized the importance of a fair and permanent peace in the Middle East. In both these commitments, the Saudi Arabians share our purpose."

In his response to the President's toast, Fahd again emphasized "the Palestinian issue with all its ramifications" as the "core" of the "instability in the Middle East." He again lauded the President's position towards the Palestinians. (See related story P. 3)

NEW GUSH EMUNIM SETTLEMENT

TEL AVIV, May 25 (JTA)—Ashkenazic Chief Rabbi Shlomo Goren attended ceremonies last night at the new Gush Emunim settlement of Peterim on the western slopes of the Samarian highlands on the West Bank. The occasion was the delivery of a Torah scroll to the settlement's synagogue. Peterim was established with government approval.

Goren noted that it was the first permanent settle-

ment east of the "green line," the demarcation line between Israel proper and the West Bank and expressed hope that settlement in the region will continue. Hanan Porat, leader of the Gush Emunim, said there were enough people to populate 20 new settlements over the next six months.

OFFICE OPENED TO HELP EALASHAS

LOS ANGELES, May 25 (JTA)—"The American Jewish community is becoming increasingly interested in the Ethiopian Jews," noted Dr. Graenum Berger, president of the Association for Ethiopian Jews. "The reaction to requests for helping them is overwhelmingly favorable," he declared. Speaking at the opening of the Los Angeles office of the Association, Berger indicated that the branch, planned in cooperation with the Community Relations Committee of the Jewish Federation—Council (CRC—JFC) was the first to be established under the aegis of a prederation.

"The JFC is to be commended for its forward-looking action in sponsoring this office. It will do much to educate a wide segment of the Jew-ish community to the plight of this distinctive but diminishing segment of world Jewry and to initiate actions to help them," he told the large group of interested individuals who attended the opening.

Joining Berger were Dr. Howard Lenhoff, Association vice-president, western region; Malka Ben Joseph, Consul for Press and Information, Israeli Consulate; Abraham Bayer, senior community consultant, National Jewish Community Relations Advisory Council; and Murray Wood, CRC director.

Describing the life of the Ethiopian Jews, often referred to as Falashas, Berger indicated that 28,000 scattered in 490 villages, were sorely in need of aid. "Although there is no official abuse of this group, no Ethiopian Jew can get a secondary education," he said. "Most are tenant farmers. Many are also craftsmen working with iron, ceramics, and weaving." Continuing, Berger asserted: "We must reconstruct their lives medically, educationally, and occupationally in their own habitat." Such efforts have been taking place since the 60's, he pointed out.

For some years, help has been channeled to Ethiopian Jews through the Joint Distribution Committee, he noted. In 1976, JDC allocated \$100,000 to the Falashas, mainly for educational purposes.

In his address, Berger also noted that immigration to Israel was of prime importance. "Since the advent of Israel, they (the Falashas) have clamored to emigrate. They believe that only in Israel do they have the possibility of surviving as a distinct group. There have been no legal barriers to their leaving but they are very impoverished." Some 400 had already emigrated to Israel, he told the group, and their integration had been both swift and successful.

NEW YORK (JTA)—The United Synagogue of America (USA) announced that this summer the largest number of teenagers ever to tour Israel under the auspices of a single organization will make the trip as part of a USA Israel Pilgrimage. Almost 1000 teenagers from the U.S., Canada, Israel and Iran, with a staff of 84 Americans and Israelis, will join the Pilgrimage. This is a work, study and travel program organized by the USA's Department of Youth Activities, congregation representative of the American Conservative movement.

REPORTS SAY U.S. OFFICIALS HAVE
DRAFTED PAPERS CALLING FOR 2-STAGE
ISRAELI WITHDRAWALS; WASHINGTON, NEW
U.S. ENVOY DENY PRESS REPORTS
By David Landau

JERUSALEM, May 25 (JTA)—Two Israeli newspapers reported today that U.S. officials have drafted working papers calling for Israel's withdrawa to its 1967 borders in two stages with various security provisions. Haaretz said this morning that the working papers were part of Washington's preparations for its overall proposals to resolve the Arab-Israeli conflict. The afternoon paper Yediot Achronot confirmed the report and added that the working papers were prepared by middle echelon State Department officials to be submitted to the top echelon.

(The reports were promptly denied in Washington today. Replying to questions from reporters, the State Department's chief spokesman, Hodding Cartersaid "No such plan has been formulated. We're still talking with the parties," he said, adding that "we've said the terms for a Middle East settlement must be negotiated by the parties.")

In Jerusalem, the new U.S. Ambassador, Samuel Lewis, also denied the existence of a U.S. Mideast peace plan in response to questions about the report in Haaretz. "I'm quite sure it's not true," in the said to reporters as he was emerging from a meeting with Premier Yitzhak Rabin whom he called on after presenting his credentials to President Ephraim Katzir.

He added that it was "peculiar" that such purported peace plans are published in Jerusalem "when we don't have any peace plans in Washington." But well-placed Israeli sources, while not questioning the formal accuracy of the Ambassador's denial, tended to believe that the content of the ideas reported in Haaretz did to a large degree reflect current thinking in the State-Department.

Withdrawal Process Cited

According to Haaretz, which did not identify its sources, the elements of the U.S. working papers are: Israel will be called upon very shortly to specify precisely its demands on the "future of the peace," meaning the components of normalization of its relations with the Arabs. It will be asked to note which demands are of greatest priority and which are of lesser importance.

Israel will withdraw to its 1967 lines, except for insignificant border alterations, in two stages extending over a period of 6-10 years. The question of who will supervise the evacuated territories between the stages remained open. One suggestion called for a neutral force acceptable to both sides.

The Gaza Strip would not be linked to a West Bank Palestinian entity and will not be returned to Egypt which has made clear that it doesn't want it. According to Haaretz, this would open the way for part of the Gaza Strip—the thinly populated Rafah salient—to remain under Israeli control as the buffer zone which Israel insists on keeping.

Other Elements Of The Papers

The reported U.S. working papers proceed from the assumption that occasional terrorist incursions are virtually unavoidable. Electronic sensors would guard against the danger of strategic assaults by massed forces. The sensors, to be manned by the Arabs and Israelis, would be located on the Jordan River, on Israel's eastern border, in Sinai and on the Golan Heights.

The Sinai Desert would be completely demilitarized and returned to Egypt. Egypt would not be al-

lowed air bases in Sinai but would maintain early warning posts near Israel's border and Israel would maintain a similar station about 20 kilometers east of the Suez Canal. A similar arrangement would prevail on the Golan Heights where the Israelis, in addition, would be permitted to maintain military salients within the Syrian lines for an unspecified period of time.

Another security arrangement would limit the number of war planes stationed at forward Syrian and Jordanian air bases and these would be supervised by neutral forces, Haaretz said.

SAUDIS SAY THEY WANT SECURE ISRAEL

WASHINGTON, May 25 (JTA)—The White House said today after the conclusion of the meetings between President Carter and Crown Prince Fahd that Saudi Arabia wants Israel to know that Saudi Arabia wishes the Jewish State to be secure.

Presidential News Secretary Jody Powell made this statement after he was asked what the President meant in saying last night at the White House dinner that he and Fahd share "our purpose" regarding Israel. "The President was alluding to the fact that the Saudi Arabians do wish to reassure the Israelis about their peaceful intentions in the area and we are in harmony on the purpose and goal that a secure State of Israel must be a part of the settlement," Powell said.

However, when Powell was asked for the extent of Israel's territory that Saudis envision, Powell said he did not know if the Saudis have changed their views about Israel withdrawing to the 1967 lines. He repeatedly referred to the President as seeing Israel withdrawing "substantially" to the 1967 lines.

Referring to the President's statements, Powell said the Saudis and the U.S. "see a secure peaceful state of Israel as part of a settlement." He thought the next step would be to take up the Saudi views with the Israelis. Asked if Fahd was talking for Egypt and Syria, Powell said that "the Saudis did say the other leaders are in agreement with his thoughts." The leaders of Saudi Arabia, Syria and Egypt met last week in Riyadh.

Powell said the Palestine Liberation Organization was "certainly mentioned" in the Carter-Fahd talks but he did not know the details. Neither could Powell say what transpired regarding the so-called "legitimate rights of the Palestinians."

Regarding Israel's borders, Powell reiterated Carter's campaign statements that if he were Premier of Israel he would be reluctant to give up the Golan Heights and that the Moslems should have "access" to their holy places in Jerusalem. However, Powell could not say what Carter and Fahd had expressed regarding Jerusalem. "A number of complicated issues were left open," Powell said.

JERUSALEM (JTA)—The first phase of a large archaeological project in the western part of the Jezreel Valley will be carried out in July and August under the auspices of the Hebrew University's Institute of Archaeology. The project is scheduled to last five years, with its first stage concentrating on Tel Yogne'am whose Canaanite King is mentioned as one of those defeated by Joshua. The archaeological expedition will be directed by Dr. Amnon Ben-Tor.

WARNING ISSUED REGARDING INTENSIVE MISSIONARY CAMPAIGNS DURING SUMMER

NEW YORK; May 25 (JTA)—A special alert has been issued to the Jewish community regarding the anticipated large-scale drive by the Hebrew-Christian groups in the metropolitan area during the summer months. According to Dr. Seymour Lachman, chairman of the New York Jewish Community Relations Council's Task Force on Missionary Activity, there are verified reports that missionaries will be coming to New York from other parts of the country beginning in mid-June.

Lachman indicated that among the groups known to be organizing summer campaigns are Jews for Jesus, B'nai Yeshua and Beth Sar Shalom. He said these intensified efforts follow months of build-up and training. These groups, he added, hope to reach out and ensnare people of all ages but especially those in their teens and twenties who may have been unable to secure employment or are otherwise unoccupied at this time.

There will be extensive distribution of literature, street solicitation, appearances at public events and gathering places and at musical and dramatic programs, Lachman noted.

According to Malcolm Hoenlein, executive director of the Council, the "I Found It" campaign, which included a \$1 million-plus media blitz has given added impetus to the increasing efforts of the Hebrew-Christian groups. He reported that respondents to the ads, commercials and posters that have inundated the metropolitan area are being referred to the New York office of Jews for Jesus.

Moreover, he said, many churches have been enlisted for door-to-door campaigns in their communities. Among those involved in organizing and executing this extensive follow-up are leaders of the Hebrew-Christian missionary groups, Hoenlein said. Other major programs, he pointed out, include:

Major Missionary Programs

"Shechinah '77": An annual conclave of Hebrew-Christian missionaries which will take place June 17-18 at the Stony Brook headquarters of B'nai Yeshua. Up to 1000 representatives of major missionary groups from around the country are expected to participate. They will share experiences, program ideas and proselytizing techniques. The fact that the conference site was shifted from the West Coast underscores the emphasis given to their efforts in the New York City area.

* "Messiah '77": The eight-week summer campaign of Jews for Jesus will begin July 1. Approximately 30 Jews for Jesus professionals from around the country will augment the New York branch staff for an intensive campaign of missionizing at key locations throughout the city and suburbs.

The major goal of their efforts is to increase the ranks (and therefore staff) of the New York branch of Hineni Ministeries, Inc. (Jews for Jesus) for year round follow-up and increased proselytizing in the metropolitan area. Among the most successful outreach programs are public concerts featuring the Liberated Wailing Wall Singing Group and the New Jerusalem Players.

"Operation Gideon": This is an intensive recruitment and training program to be sponsored by B'nai Yeshua from May 27-August 12. Participants will be given orientation sessions, Bible classes, and instruction in missionizing techniques at the Stony Brook location. "On the Job" training experiences will be provided as program members missionize on the streets throughout metropolitan New York. Those who successfully complete this pro-

gram will be used for proselytizing within the Jewish community in the future.

"Beth Sar Shalom Summer Witnessing":
The American Board of Missions to the Jews
(Beth Sar Shalom) is preparing to deploy 100–
150 missionaries, primarily on Long Island, to
witness and make personal contact during the
summer months.

* "A Yom Kippur Celebration": A 10-day trip to Israel sponsored by B'nai Yeshua, Sept. 16-26. The program is described as a "learning experience" and as an opportunity to missionize in Israel. They highlight a planned prayer meeting at the Western Wall on Yom Kippur.

* "Christian Brothers Carpet Cleaning/Maid Service": A fund-raising front for the Church of Bible Understanding. This missionary group, by Stewart Traill, has established a carpet cleaning and maid service which has been well publicized throughout the metropolitan area. Members of the group, numbering approximately 400 in New York City, operate the business from 607 West 51st Street, which is also the location of the Church's headquarters. In November, 1976, Church of Bible Understanding, formerly known as "Forever Family," was ordered by the New York City Health, Fire and Buildings Departments to vacate lofts in downtown New York where 150 members were living under "unsafe, unsanitary and illegal conditions.

"Here's Life, New York": Part of a nation—wide drive sponsored by Bill Bright's Campus Crusade for Christ, has inundated the metropolitan New York area. A massive media campaign features ads, commercials, billboards, bumper stickers, posters, television and radio programs with the theme "I Found It," and a phone number.

While "Here's Life" is not geared exclusively to the Jewish community, it is reported that Jewish respondents are being referred to local Hebrew-Christian groups of follow-up. Protestant and Catholic spokesmen have expressed opposition to the campaign on a variety of grounds, including the potential impact on Christian-Jewish relations.

N.J. ADOPTS ANTI-BOYCOTT MEASURE

TRENTON, N.J., May 25 (JTA)—A bill to bar New Jersey firms from complying with the Arab boycott of Israel was signed into law last Friday by Gov. Brendan Byrne, who said the new measure reinforced the state's stance of opposing all forms of discrimination. The state Civil Rights Commission, which will enforce the new law, has power to award triple damages to an "aggrieved party."

A spokesman for Ingersoll-Rand Co., a major producer of pumps, compressors and drills for international trade, said the new law was an "unnecessary" restriction on business and that it would cost New Jersey companies up to \$500,000 a year in lost trade. The spokesman said Ingersoll-Rand has received backing for its stand since sponsoring newspaper advertising on May 9 denouncing the anti-boycott bill.

The spokesman said the company calculated that the impact of the new law on state firms doing business in the Middle East might affect 25,000 jobs in New Jersey. Gov. Byrne responded that "you cannot put a dollar sign in front of a basic moral concept. The bill establishes a principle."

REMINDER: There will be no Daily News Bulletin dated May 30 due to Memorial Day, a postal holiday.