SECURITY COUNCIL MEETS ON... SITUATION IN LEBANON

By Yitzhak Rabi

UNITED NATIONS, May 31 (JTA) -- The Security Council met today on a complaint by Lebanon alleging an escalation of Israeli attacks but adjourned this afternoon without reaching a conclusion, Council President Vasco Fütcher. Fütcher announced that private consultation among members would continue. Sources said on Friday that an Israeli strike would be made to draft a consensus statement by next week.

Addressing the Council earlier, Israel's Ambassador Yehuda Blum said his country recently received information based on reliable sources, that the Palestine Liberation Organization (PLO) has decided to step up violence in southern Lebanon.

This information, Blum said, "is undoubtedly the cause of the heightened tension in the area in the last few days."

Blum charged that the Council's meeting was called to satisfy the domestic needs of the Lebanese government, whose predicament is well known. He declared that "Israel supports the national sovereignty and territorial integrity of Lebanon and believes that the time has come to move towards a negotiated peace between Israel and Lebanon." He charged the PLO terrorists groups under the leadership of the PLO and its allies with responsibility for the chaos in southern Lebanon.

"There are some 2,000 armed PLO terrorists south of the Litani River," Blum said, "who constitute a threat to the citizens of Israel, to the villagers in south Lebanon and to the soldiers of the United Nations Interim Force in southern Lebanon (UNIFIL). I believe that there are 10,000-12,000 terrorists in the Litani River area of Lebanon, Israel's actions are specifically directed against the terrorists in Lebanon," he stated.

UNDOF Mandate Extended

Ambassador Ghassan Toumi of Lebanon accused Israel of escalating its attacks against targets in south Lebanon and violating Lebanon's sovereignty. He said the Security Council should put an end to Israeli violations of Lebanese sovereignty.

The Security Council voted 14-0, with abstentions from China and India, to extend the mandate of the United Nations Disengagement Observer Force (UNDOF) on the Golan Heights for another six months, until Nov. 10, China did not participate in the vote. There were no abstentions.

JUSTICE MINISTRY ASKS RELEASE OF AMERICAN WOMAN JAILLED FOR AIDING TERRORISTS

By Yitzhak Shargi

TEL AVIV, May 31 (JTA) -- The Justice Ministry today recommended the early release from prison of Terry Fleener, 24, an American woman serving a five-year sentence on charges of spying for the Palestinian Liberation Organization (PLO). The ministry also recommended the release of Ludvina Janssen, 26, of Holland, serving a six-year term on similar charges. A Ministry spokesman said Fleener could be freed by the end of June and Janssen in September, both for "good conduct." Ms. Fleener, who admitted to the charges before she was sentenced 15 months ago, has been the subject of representations by the U.S. government to bring about her release. In Washington, Secretary of State Cyrus Vance asked Justice Minister Shmuel Tamir to take action for her release. In Tel Aviv yesterday, State. Attorney's office spokesman Haim Keston said the U.S. Embassy in Tel Aviv has been informed that Tamir would recommend to Prime Minister Yitzhak Rabin that Fleener's sentence be reduced to 2 1/2 years. He quoted an Israeli Justice Ministry spokesman as saying that it could be further reduced to one-third for good behavior. The six-year sentence would have expired the end of June 1978.

Meanwhile, two Arab women suspected of terrorism were detained following the arrest Sunday of another woman, Atit Ashraf, 22, of Ramallah, Ashraf was seized after she planted a bomb in a trash can at the Jerusalem central bus terminal. Her interrogation led to the arrest of another woman, a military police spokesman said, who carried out a系列 of terrorist acts which claimed at least four lives and injured 53 persons.

KLARSFELD PRODUCES EVIDENCE ELKANIAN WAS EXECUTED FOR TIES WITH ISRAEL.

By Yitzhak Shargi

TEL AVIV, May 31 (JTA) -- French lawyer Serge Klarfeld produced documentary evidence here last night that a Jewish community leader, Habib Elkanian, was executed May 9, primarily because of his connections with Israel.

Klarfeld, who with his associates, has been instrumental in tracking down wanted Nazi war criminals and combating anti-Semitism, visited Teheran last week to investigate the Elkanian execution and intercede for several Jews still imprisoned by the new regime. He reported earlier that he had been assured by Iran's Foreign Minister Ibrahim Yazdi that "there was no reason for worry in the case of Iran's Jews," and that there would be no trials of Jews or non-Jews simply because they had connections with Israel. Klarfeld returned to Paris yesterday and flew immediately to Israel.

POPE RESPONDS WARMLY TO WARSAW GHETTO MEMORIAL SERVICE...

NEW YORK, May 31 (JTA) -- The Warsaw Ghetto Uprising memorial service held at Temple Emanu-El in New York April 22, has drawn a warm response from Pope John Paul II, the Warsaw Ghetto Resistance Organization (WAGRO) reported today.

WAGRO president Benjamin Meed, who had written to the Pope about the event, received a letter yesterday conveying the Pontiff's acknowledgement. The letter addressed to Jeremie Cardinal...
Cooke, Roman Catholic Archbishop of New York, was signed by Archbishop Giovanni Caprio, substitute Vatican Secretary of State. Cooke referred it to the New York Board of Rabbits with a request that it be brought to the attention of Meed. The letter stated that Meed’s message, transmitted by Cardinal Cooke, reached the Pope, as he is preparing for his journey to Poland during the week, intends to visit Warsaw and Auschwitz.

It stated that "In the April 22 commemoration of the uprising of his Jewish fellow countrymen, the Holy Father sees a reminder of the need to safeguard at all times the objective and inviolable rights of every human being." The letter observed that "Man is made in the image and after the likeness of God. As such, he is superior to systems and ideologies. The repeated attempts to subordinate him to what is lower than him and the curtailment of the rights of any individual or group of human beings must be countered by vigilance and self-sacrifice. His Holiness prays that the commemoration may be inspired with such an attitude and he invokes God’s blessings on their work for the good of all mankind.

Meed, whose organization organized the annual Warsaw Ghetto memorial, said the Pope’s understanding and compassion for the remembrance of the Jewish victims of the Holocaust was a significant development in Catholic-Jewish relations which, he hoped, "will serve as a memorandum for history."

CONGRESS RUSHING AUTHORIZATION BILL FOR $4.8 BILLION TO ISRAEL—EGYPT

By Joseph Polakoff

WASHINGTON, May 31 (JTA)—Acting on the second half of the legislative process required to provide the $4.8 billion in special assistance for Israel and Egypt, the House Appropriations Committee worked today to complete its measure with no doubts prevailing that it will be approved and sent to the floor for a vote.

Money legislation requires that both the House and Senate approve an authorization bill. That sets policy for the use of funds, and also an appropriation bill that specifically allocates the money. The House yesterday foreshadowed full approval of the aid implementing the Egyptian-Israeli peace treaty by passing the authorization bill that provides $9 billion for Israel and $1.8 billion for Egypt. The vote was 342-28. The Senate had previously approved authorization and the House measure now goes to a House-Senate conference for negotiation of the differences.

U.S. MAY SUPPLY EGYPT WITH F-4 PHANTOM JETS

By Joseph Polakoff

WASHINGTON, May 31 (JTA)—The Pentagon appeared to confirm today that Egypt is likely to receive a dozen F-4 Phantom jet warplanes by October even if they are to be drawn from the stocks of U.S. active forces, if not from reserve stocks.

Thomas Ross, Assistant Secretary of Defense for Public Affairs, said that no decision has been made by the U.S. to provide planes for Egypt but the U.S. "could be in a position to deliver 12 by the first week in October." He said that 16 Egyptian pilots and 40 maintenance personnel will arrive in the U.S. Monday en route to the U.S. Air Force center in San Antonio, Texas, for four weeks of training in an English course. Payment for the planes will come from the $1.5 billion the Administration proposes to provide Egypt.

Meanwhile, at the State Department, a spokesman said he had no statement regarding a report in the Kuwaiti newspaper, Al Anbaa, that quoted Iranian Foreign Minister Ibrahim Yazdi as saying that "if the U.S. continues to intervene in our internal affairs and refrain from recognizing our revolution, we will not be able to ask for links with the East". He also was quoted that "cooperation with the East bloc is ruled out altogether."

INDUSTRIALISTS REVOLT AGAINST CABINET DECISION TO END LOW COST LOANS

By Yitzhak Sharji

TEL AVIV, May 31 (JTA)—Three of Israel’s largest firms—Koor Industries, Klal Industries and the Discount Investment Co.—announced today that they will freeze all plans for investments in developing Israel’s industries. The firms hold half of all Israel’s industries and the industrial production with an annual turnover in the billions of pounds.

The impact of the decision was heightened when Mark Moshelevitz, head of the Economic Advisory Committee to the government and former president of the Manufacturers Association, announced his resignation.

These moves followed on the heels of a Cabinet decision this week to link 100 percent of development loans to industries to the cost-of-living index which would eliminate cheap loans for manufacturers. The Cabinet’s action was vehemently protested by the Manufacturers Association, whose president, Abraham Shavit, tried to persuade Premier Menachem Begin to have it rescinded. Begin told him the decision was arrived at by the democratic process and could not be reversed.

But the government seemed to panic over the industrialists’ revolt. Finance Minister Simcha Ehrlich was quoted as warning the government that it was losing its reformist zeal. But, he said, he was convinced that the Cabinet would deal with the matter again and could change its decision. Ehrlich told reporters today that the investment freeze by the three giant industries was intended to bring psychological pressure on the ministers. He said if the linkage proved harmful, as contended by the industrialists, he would propose another plan to the Cabinet.

Economists observed that the linkage was essential to end cheap loans which fuel inflation. Hither to, industrialists investing in new plants or in the expansion of existing ones were subsidized with low interest government loans. Economists believe that investment projects that warrant government support will continue to get it through grants.

TEL AVIV (JTA)—A military spokesman branded as totally false a report from Belgian Wednesday night that Israeli naval units aided by helicopters attacked Tyre and the nearby Rashidieh refugee camp, killing 15 people. The spokesman said no naval or air units were in action against targets in Lebanon. Israeli artillery fired on terrorist positions in South Lebanon after several Katyusha rockets were fired at settlements in Upper Galilee. It was reported that an Israeli army patrol discovered a large terrorist arms cache on the western slopes of Mt. Hermom. It contained Karl-Gustoff submachineguns, hand grenades, explosive charges, axes, ropes and other equipment. Belts filled with explosives were found, believed intended for use as "suicide jackets" indicating that the users would blow themselves up rather than be captured.
BRITISH ZIONIST LEADER SAYS THATCHER UNFAMILIAR WITH MID EAST PROBLEMS
By Judith Rosen

NEW YORK, May 31 (JTA) -- Eric Moamenoo, a former labor member of Parliament and president of the British Zionist Federation, said here today that Britain's new Conservative Prime Minister Margaret Thatcher was relatively inexperienced in foreign affairs, especially the Middle East. He said the main concern of British Jewry was with Mrs. Thatcher's principal spokesman on foreign affairs in the House of Commons, Mr. Denis Healey.

Moamenoo, who was defeated for re-election in the May 3 elections, noted that Sir Ian, the Lord Privy Seal, is very active in the Arab lobby in England and has openly advocated a Palestinian state on the West Bank and Gaza Strip. He called Thatcher's appointment of Gilmour, a founder of an Arab-British friendship movement, a "foolish and thoughtless" move.

Asked during an interview with the JTA about the effects of the Israeli-Egyptian peace treaty on fund-raising activities in Britain, he admitted that Zionism is easier to promote "during a hot war and crisis." However, he called peace a "challenge" and said the Jewish community must come to terms with the situation and respond with more creative techniques in fund-raising to keep up the momentum. In that connection, he observed that while American Jewish organizations are well organized, their counterparts in Britain, the relations between the lay and political leadership was not always well defined. He said he felt there was far too much duplication of activities among various Jewish organizations in the U.S. and in Britain.

Moamenoo said there was a problem in Britain today of maintaining Jewish identity. He said the fight was against indifference rather than assimilation.

ISRAEL BOND ORGANIZATION PROMOTING RE-INVESTMENT OF BONDS MATURING IN '79

NEW YORK, May 31 (JTA) -- A major effort is underway throughout the United States to turn more than half a million holders of 1967 Israel Bonds into reinvestors for Israel's economic needs, termed vital now that the treaty between Israel and Egypt has been signed. Over $140 million in Israel bonds purchased during 1967, the year of the Six-Day War, will mature in January 1979. Joseph of Teaneck, N.J., Israel Bonds national reinvestment chairman, said: "A substantial percentage of these bonds were bought in June; the month of the war, and in the months immediately following. It is vital that these bonds, purchased out of deep concern for Israel's survival, now be reinvested in economic development for peace.

Among the incentives is "advance reinvestment," a provision approved by the Knesset whereby Israel will accept at full maturity value any 4 percent Bond maturing in 1979 provided that it is reinvested immediately in an Israel Bond of higher denomination. Reinvestment committees are conducting telephone campaigns in communities throughout the U.S. to reach 1967 Bond-holders, Joseph said. The Bond Organization is conducting an information campaign and is running newspaper advertisements to alert Bond Holders to the opportunities.

NEW YORK (JTA) -- The Technical University in West Berlin is establishing a center for research on "Antisemitism" in its Institute for Historical Science, according to a report in "The Week in Germany," a weekly newsletter of the German Information Center here.

BRASIL RECOGNIZES PLO BUT BANS OFFICE FOR TIME BEING
By David Markus

RIO DE JANEIRO, May 31 (JTA) -- The Brazilian government has officially recognized the Palestine Liberation Organization as the "sole legitimate representative of the Palestinian people." But for the time being, at least, it has refused to authorize the PLO to open an office in Brazil. The capital, recognition was announced in a joint communiqué released at the end of a five-day visit to Brazil by the Vice President of Iraq, Taha Muhyyiddin Maanouf. The communiqué also stated that Brazil recognizes the rights of the Palestinians to self-determination, independence and national sovereignty in their homeland.

Maanouf is known to have urged that a PLO office be permitted in his talks with President João Baptista de Oliveira and his aides. During the past four years, 15 formal requests were made by several Arab countries to allow a PLO representative to function in Brazil. But according to Foreign Ministry sources, Brazil will not permit a PLO office as long as the PLO continues to engage in terrorist activities. A PLO representative named Said Sawan, was expected to present his diplomatic credentials in Brazil last week. The government postponed that "for the time being," apparently because of strong criticism by the press.

But a diplomatic source close to Foreign Minister Guerreiro, acknowledged that "Brazil is not in a comfortable position to deny requests from the Arabs," apparently a reference to its need for Arab oil. Brazil imports 400,000 barrels a day from Iraq, more than 50 percent of its oil supply.

Said Farhat, Minister of Social Communication, who serves as Information Minister, and Ricardino Navajas, a Foreign Ministry spokesman, have insisted that the joint communiqué "does not alter anything". They said: "There is absolutely no change because Brazil had already recognized the PLO through the 1975 United Nations resolution which gave the Palestinians group observer status at the UN.

Jewish Community Alarmed

Israel's Ambassador to Brazil, Moshe Erell, said he was convinced that the "PLO will not open an office in Brazil... because their offices are caves of subversion and murderers." But Brazil's Jewish community is clearly alarmed.

Dr. Bennos Milhniksky, president of the Jewish Confederation, protested to the joint communiqué. "Thus Brazil started to give haven to the terror," he said. "He said the recognition of the PLO and the future opening of a PLO office "left the Jewish community anxious and restless." He said he feared that "the infiltration of Anti-Semitic material into Brazil is almost certain." One Jewish community leader observed that PLO agents, protected by diplomatic immunity, would mount an Anti-Semitic campaign.

Sawan, the designated PLO representative, who is attached to the Arab League office in Brazil, presented a sample. He denounced "individuated by Jewish bankers" and the "International Jewish lobby" which he accused of "exercising a pressure against Brazil." He also charged that the Brazilian press is being "forced by international Zionism to make pro-Israeli statements."
SPECIAL REPORT
FEDERAL COURT MAY RULE FOR FIRST TIME ON CONSTITUTIONALITY OF YULE OBSERVANCES IN PUBLIC SCHOOLS
By Ben Gallop

NEW YORK, May 31 (JTA) — An American Jewish Congress attorney said last week that a Federal Appeals Court test of the constitutionality of Christmas observance guidelines for a public school district, an observance which the A. Congress told the court, hurts Jewish children, appeared to be the first time the issue had reached the Federal Appeals Court level.

Mark Stern, the A. Congress attorney, helped write a friend-of-the-court brief filed with the Eighth Circuit Court of Appeals in St. Louis. The brief also told the Jewish Telegraphic Agency that the agency hoped the regional council for the American Civil Liberties Union, Steven Pevor, counsel for the plaintiffs, would file a request with the St. Louis court to expedite its hearings on the case.

A joint friend of the court brief also has been filed with the St. Louis appeals court by the National Commission on Law and Public Affairs (COLPA) and the Anti-Defamation League of B'nai B'rith, Martin Cawer, COLPA secretary, and Richard Weiss of the ADL wrote the brief.

It pointed out that the Sioux Falls school board rules provide not only for Christmas and Easter, but for the display of religious symbols, such as the cross and nativity creches in the classrooms. Others joining in the brief are Agudath Israel of America, the National Council of Young Israel, the Rabbinical Council of America, and the Union of Orthodox Jewish Congregations of America, according to COLPA and the A. Congress.

Howard Zuckerman, COLPA president, said at the lower court hearing, “We strongly believe that the lower court decision is reversed, school districts throughout the nation will engage themselves free to engage in religious activities, respecting the rights of Jewish children to Christian doctrine.”

The guidelines were challenged in 1978 by a group of students, parents and taxpayers, who sought to enjoin the promulgation on grounds that it was not in accord with the First Amendment. The court of special trial judge and the case was appealed to the Circuit Court of Appeals. The brief argued that the guidelines were unconstitutional because, first, they had a religious purpose; second, they have the direct effect of advancing religion; and third, they excessively entangle the government in religion.

Stern said this is the three-part test used by the Supreme Court in such cases.

Observance Disturbing To Children

The brief declared that “the long-standing concern of the Jewish community with religious holiday observances in the public schools is prompted not only by the governmental interference with religion but also by purely personal practical considerations. The experience of Jewish children in public schools having observed holiday observances has brought about virtual unanimity in the Jewish community in opposition to these sectarian practices.”

Asserting that “pattern of religious observance in public schools is deeply disturbing to children who are brought up as Christians,” the A. Congress brief also declared that “religious observances of this type introduce tension and divisiveness into public schools and often harass and hurt children of minority faiths. Such children face a conflict between the religious beliefs they have received at home and the quite different teaching conveyed by the religious practices in their school.”

The brief declared that “Jewish parents, as well as non-believers and adherents of non-Christian sects, are often made resentful and apprehensive because their children are forced either to participate in Christian observances, or to avoid them from participation. The brief said that “when subjected to pressure on them to conform, Jewish children may find it easier to submit than to resist. The Jewish child, or his parents in his behalf, is left with the cruel choice of participating in religious observances, being accepted by the majority or being opposed by them.”

Asserting that majority religious observances suffer as well when their beliefs are “watered down” to make them acceptable for use in public schools, the brief asserted that “it should be emphasized that this case extends beyond the question of Christmas observance. Principles enunciated by this court in this case will apply equally to religious observances of all faiths. We recognize that Chanukah and Passover have no greater entitlement to observance in the public schools than Christmas or Easter.”

JERUSALEM (JTA) — In order to manifest our internal strength, we had to overcome solving crucial economic issues while the peace process was being solved. Deputy Prime Minister Yehuchiel Flamin told delegates of the 3rd European-Israeli Bond Conference this week. Some 180 delegates attended the 3-day conference, representing Austria, Belgium, France, Germany, Holland, and Switzerland. Israel, he said, can survive only if it is strong enough to protect herself economically as well as politically. New legislation to fight inflation by limiting credit, cutting public spending, and abolishing subsidies to capital was submitted and approved by the Cabinet to that effect this week.

JERUSALEM (JTA) — Israeli industrialists, unhappy over the present aspects of the economic program approved by the Cabinet Tuesday, were told by Premier Menahem Begin that he could not reverse decisions reached “through a democratic vote.” A delegation, headed by Avraham Shavit, president of the Manufacturers Association, visited Begin to protest the high rate of development loans to the cost-of-living index. They argued that such a policy would significantly reduce the rate of investment in industry since it would be cheaper than to invest in indexed-linked bonds. “This will increase the amount of capital in the country,” Shavit claimed.