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**U.S. Tries To Clarify Debt Moratorium Issues:
ADMINISTRATION SAYS ISRAEL COULD
DELAY REPAYMENT OF \$500 MILLION DEBT
TO U.S. WITHOUT ASKING FOR APPROVAL**
By David Friedman

WASHINGTON, Oct. 16 (JTA) -- The Reagan Administration asserted today that Israel could postpone repayment of \$500 million in debt to the United States without asking for American approval, although the Administration feels this step will not be necessary.

Under the law which provided U.S. loan aid to Israel "there can be late payment if viewed as necessary," State Department deputy spokesman Alan Romberg said. He added that this would mean additional interest costs.

Romberg was trying to clear up the confusion that occurred yesterday when Israeli Premier Shimon Peres was reported as telling his Cabinet that during his visit to Washington last week, the Administration agreed to a postponement of the repayment for three months. However, Administration officials said no agreement was made, although several means of dealing with Israel's economic problems were discussed.

Statement By Shultz

Romberg pointed to a statement made by Secretary of State George Shultz, en route to Toronto last night, when he was asked about the Israeli statement. Shultz noted that Israel's cash flow problem is "immediately benefited" by the Administration's agreement to provide Israel with the \$1.2 billion in economic grants for 1985 "up front" in the beginning of the fiscal year which started October 1 rather than through the regular quarterly allocations.

"The basic cash position is vastly improved by that very fact, and so we will look at the flow of funds and go in for that analysis," Shultz said. "I think if the strong steps are taken (control the economy) as Mr. Peres outlined there shouldn't be any problems."

Shultz added that "various ways" were discussed with the Israelis "in which any potential problem may be met. And of course, loan repayments is one way to get at cash flow. And there are some other ways. But my own opinion is that it won't be necessary to take additional steps."

Romberg refused to discuss any of the suggestions that the Administration may have made during Peres' visit. However, Administration officials noted that the existence of the provision in the law to delay loan repayments was pointed out to the Israelis. But they stressed that there was no agreement that this would be done.

If the payment is delayed for three months the new Congress would then be in session and additional aid to Israel is expected to be approved, which would cover the \$500 million repayment.

**WEINBERGER REPORTEDLY SYMPATHETIC
TO ISRAEL'S MILITARY REQUIREMENTS**
By Hugh Orgel

TEL AVIV, Oct. 16 (JTA) -- Defense Secretary Caspar Weinberger was reported tonight to have shown a sympathetic interest for Israel's proposals in the military sphere after a day of talks with

Defense Ministry officials and senior officers of the Israel Defense Force here. The discussions are said to have covered American support for production of the Lavie, Israel's second generation jet fighter plane, and aid for Israeli arms purchases, including the possible supply of the U.S. army with certain Israeli military hardware.

Weinberger was briefed on Israel's view of the military situation in the Arab world by IDF intelligence chiefs. It was understood, however, that the issue of Lebanon was not raised in any detail.

The U.S. Defense Secretary is here for 36 hours of intensive discussion with leaders of Israel's defense establishment. He has conferred with Defense Minister Yitzhak Rabin and will go to Jerusalem tomorrow for a meeting with Premier Shimon Peres with whom he met only recently in Washington. He will also tour the Ramon air base in the Negev, built by U.S. engineers for the Israel Air Force to replace airfields given up in Sinai.

An Agreement In Principle

Rabin is reported, meanwhile, to have agreed in principle to start talks between the IDF and the Lebanese army on security for Israel's northern borders should the IDF be withdrawn from south Lebanon. The talks would be held under the auspices of the United Nations Interim Force in Lebanon (UNIFIL). This was proposed by the Lebanese government during the recent visits of U.S. Assistant Secretary of State for Near Eastern and South Asian Affairs, Richard Murphy, and Brian Urquhart, Deputy Secretary General of the UN.

The Israelis want the talks to include representatives of the South Lebanon Army (SLA), commanded by Gen. Antoine Lahad, which Israel supports and expects to play a security role in the south after the IDF pulls out. Israel is also agreed to a security role for UNIFIL which represents a change from the position of the former Likud-led government. The latter mistrusted UNIFIL but the new unity coalition headed by Peres appears to have relaxed Israel's objections to the international force.

**PERES TO HOLD TALKS WITH FRENCH
LEADERS IN PARIS DECEMBER 10**

PARIS, Oct. 16 (JTA) -- Israeli Premier Shimon Peres will pay a two-day visit to France on December 10 for meetings with President Francois Mitterrand, Premier Laurent Fabius and other members of the government, it was announced here today.

It will be the first official visit to France in 23 years by an incumbent Prime Minister of Israel. The last visit took place in 1961 when Premier David Ben Gurion came to Paris as the guest of President Charles deGaulle. Peres, at that time Deputy Minister of Defense and a personal aide to Ben Gurion, was a member of the official party.

No details of Peres' forthcoming visit have been released and they are reportedly still being worked out. He is expected to be Mitterrand's guest at a luncheon or dinner at the Elysee Palace and to meet twice with the French President and to hold a press conference. Meanwhile, rumors persist -- despite official denials -- that Mitterrand plans to launch a French diplomatic initiative toward the Middle East. The reason, it is said, is to mend his public image which recent polls say has been harmed by rising unemployment and the French economic crisis.

URUGUAYAN JEWS ASSAIL ANTI-ZIONIST PLATFORM OF LEFTWING PARTY PLATFORM

MONTEVIDEO, Oct. 16 (JTA) — The Uruguayan Jewish community has condemned an anti-Zionist clause contained in the party platform of a political group seeking office in the upcoming national elections, the World Jewish Congress reported today.

Dr. Nahum Bergstein, president of the Central Jewish Committee, the representative body of Uruguayan Jewry and the WJC affiliate here, declared at a press conference that the effort to link Zionism with racism was "inherently false, is an insult to our community, disturbs the peaceful coexistence of the citizens of this country, and unleashes anti-Semitic feelings."

The attack on Zionism was included in the political program of a group called the Popular Movement, a splinter faction allied with the Communist Party in a larger coalition of leftwing groupings called the Broad Front. As Uruguay moves towards critical national elections slated for November 25, the various parties and political groupings have begun their electoral campaigns by issuing political manifestoes. That of the Popular Movement equates Zionism with racism in a clause on national liberation.

The clause states: "Uruguay must show full solidarity with the liberation struggle of peoples that are still subjected to political or economic domination. Self-determination of peoples must always be defended. Racism (segregation, Zionism) must be denounced and confronted."

Goal Of Defaming Zionism

Bergstein told the press conference that the defamations of Zionism, "in its goal of deligitimizing Israel, denies the Jews the right of self-determination that all other peoples have and, in this sense, is discriminatory."

He added: "For years we Jews have had no illusions concerning the true intentions and aims of the anti-Zionist explosion. But the identification of Zionism with racism, forged in the United Nations under the pressure of the Arab countries and the Soviet bloc, is in reality a neo-racism that shows the ugly face of anti-Semitism, which is one of the most despicable manifestations of racism."

According to the Latin American branch of the WJC, the news conference was carried by nearly all the mass media of Montevideo — press, radio and television.

BELGIAN FOREIGN MINISTER HOLDS 90-MINUTE MEETING WITH ARAFAT

BRUSSELS, Oct. 16 (JTA) — Foreign Minister Leo Tindemans' 90-minute meeting with Palestine Liberation Organization chief Yasir Arafat in Tunisia last week does not point to a shift in the Belgian position toward the PLO, according to officials here.

While Tindemans was the first Belgian minister to meet Arafat, Belgium adheres to the position adopted by the 10 member-states of the European Economic Community (EEC) of which it is a member. That position calls for Palestinian self-determination and the association of the PLO in future Middle East peace talks.

But Belgium has taken a more reserved and cautious position with respect to the PLO than some other EEC states, notably France, Italy and Greece. Although Tindemans and Arafat described

their meeting as instructive and constructive, the joint communique issued by Tindemans and Tunisia's Prime Minister Mohammed Mzali at the end of Tindemans' official visit to the North African country contained no reference to the PLO or its possible role in negotiations.

The communique affirmed the urgent need for a just solution to the Middle East conflict, called for Israeli withdrawal from the occupied territories and upheld the right of Palestinian self-determination "with all that implies." The communique also noted that Belgium supports the right to self-determination within the context of the principles stated by its EEC partners.

Tunisia, an Arab League member state, officially supports the position that the PLO is the sole representative of the Palestinian people. But the PLO is split between Arafat loyalists and dissidents who, with Syrian backing, ousted Arafat from Lebanon earlier this year. Tunisia has given him favor for the time being.

COMPUTERS IN ISRAEL'S FINANCIAL CENTERS CAN'T COPE WITH INFLATION

By Hugh Orgel

TEL AVIV, Oct. 16 (JTA) — Computers at Israel's financial centers can no longer cope with soaring inflation. The electronic chips function but the screens on the display terminals can contain only 15 digits, hardly enough for the billions of Shekels that represent relatively modest sums of money.

The Bank of Israel and the commercial banks are considering abolition of Agorot. This is small change — 100 Agorot equal one Shekel — represented by two digits to the right of a decimal point. But bank experts say they also may have to shave some zeroes from Shekels to adjust to the limitations of the computers.

The number of zeroes increases in inverse proportion to the value of the Shekel's purchasing power. That value dropped by 21.4 percent last month, the amount by which the cost-of-living index rose. It was the highest monthly increase since the Central Bureau of Statistics began publishing its monthly C.O.L. index in September, 1951.

Using that month as a 100 base, the C.O.L. index in September, 1984, reached 1,098,437, a 10,000-fold increase in prices over 33 years. The basic index is used to compute mortgages, life insurance premiums and other long-term loans linked to the price index.

EX-NAZIS HOLD TWO-DAY 'REUNION'

BONN, Oct. 16 (JTA) — Several hundred former members of the SS Polizei Panzer Grenadier Division and their families ended a two-day "reunion" in the remote Bavarian town of Mark Theidenfeld yesterday amid charges that they were propagating Nazi ideas and traditions.

The Organization of Persecutees of the Nazi Regime and many other groups organized a protest that brought some 800 demonstrators to Mark Theidenfeld on Saturday to denounce the reunion as an attempt to revive and legitimize the spirit of Nazi Germany. But the local townsfolk apparently were quite willing to have the ex-SS men in their midst. The reunion has been a tradition in the town for the past 30 years.

The reunion drew another sharp protest from the Mayor of the Greek town of Distomon, Giorgos Sfountouris, who recalled that members of the SS Polizei Panzers massacred 218 Greek residents on June 10, 1944 when Nazi armies were occupying Greece.

ISRAEL'S UN ENVOY PREPARED TO COMBAT IRANIAN MOVE TO CHALLENGE ISRAEL'S CREDENTIALS IN THE UN

By Yitzhak Rabi

UNITED NATIONS, Oct. 16 (JTA) -- Binyamin Netanyahu, the new Israeli Ambassador to the UN, will take his first dip tomorrow in the unfriendly waters of the world organization when Israel's credentials will come for approval before the General Assembly.

"We expect Iran to challenge Israel's credentials tomorrow as it did in the last two years," Netanyahu said in a briefing at the Israel UN Mission to Israeli reporters. "But we believe that the Iranian move will be thwarted and set aside by the majority of the UN membership."

Last year, the Iranian move to deny Israel's credentials -- which in effect means the suspension of Israel from the deliberations of the General Assembly -- was rejected by a motion by Norway to set aside the Iranian request until the end of the General Assembly, thereby ignoring it altogether. Tomorrow, the same motion is expected to be introduced by Denmark. Last year, 73 countries supported the Norwegian motion while 43 opposed it and 19 abstained.

Netanyahu said today that Israel has been engaged in a diplomatic campaign at the UN, holding meetings with as many delegates as possible to increase the opposition to the Iranian anti-Israeli move. He said that he plans to address the Assembly tomorrow. It will be his first public appearance here since he was appointed Ambassador three weeks ago.

Says Israel Must Go On The Offensive

In reply to a question by the Jewish Telegraphic Agency as to how he views his approach as Israel's chief delegate at the UN, the 35-year-old envoy, who before coming here served as Deputy Chief of Mission at the Israel Embassy in Washington, said he believes that Israel should not only defend itself against its attackers at the UN but in fact fight back and go on the offensive.

"Israel finds itself in the UN at a center of an offensive almost unparalleled in history," Netanyahu observed, noting that the "two centers of world anti-Semitism today, the Soviet Union and the Arab world, have joined forces against Israel at the UN." He added: "We have to attack these forces and put them on the defensive."

But Netanyahu warned against the "extremist view that 'all the world is against us'." In fact, he said, Israel has many friends among the countries in the UN. He said that Israel's international standing has improved dramatically in the last two years, from the difficult international situation Israel faced after the start of the Peace for Galilee operation in June, 1982.

Yesterday, the Israeli Ambassador met with representatives of the international press at the UN. In reply to several questions about reports that Israel supplies arms to Iran, Netanyahu said: "This is simply not true. We do not supply any weapons to Iran."

Asked about the role of the United Nations Interim Force in Lebanon (UNIFIL) after Israel withdraws its troops from south Lebanon, the Ambassador said that Israel wants UNIFIL to serve as a buffer zone between Israeli and Syrian troops. He said Israel does not believe UNIFIL is suitable for "policing" south Lebanon to prevent terrorist activities.

He said this task, as far as Israel is concerned, should be the responsibility of the South Lebanon Army (SLA).

Netanyahu succeeded Ambassador Yehuda Blum who returned to Israel last August after serving six years as Israel's envoy to the UN.

IMPRISONED SOVIET JEWISH POC ON 33rd DAY OF HUNGER STRIKE

NEW YORK, Oct. 16 (JTA) -- Soviet Jewish Prisoner of Conscience Aleksandr Kholmiansky is in the 33rd day of a hunger strike, the Greater New York Conference on Soviet Jewry reported today. While visiting with prison officials in Tallinn, Kholmiansky's mother learned that her son has been on a hunger strike since September 13 and is being forced within the prison hospital. According to his mother, Kholmiansky undertook the hunger strike to protest his groundless imprisonment.

Kholmiansky, a Moscow refusenik who applied to emigrate in 1978, was arrested on July 25 and charged with "hooliganism." He has been held since then while Soviet authorities have attempted to build a case against him, the Conference said. According to Jewish activists in the Soviet Union, Kholmiansky is being accused of organizing a "national Hebrew study group," although no such group exists. The prosecutor now also claims to have "found" a gun and ammunition in Kholmiansky's apartment. Kholmiansky is expected to go on trial in Tallinn on October 25.

EXHIBITION ON LIFE OF GERMAN YOUTH DURING NAZI ERA DRAWS CRITICISM

By David Kantor

BONN, Oct. 16 (JTA) -- An exhibition in Frankfurt portraying with authentic artifacts and documents the life of German youth during the Nazi era, has drawn criticism from some Jewish quarters. Its purpose, according to the directors of the municipal museum, is to depict how youths were seduced by Nazi propaganda and symbols. But, some observers contend, it may be counter-productive. It has, in fact, become a magnet for neo-Nazi groups from all over the Federal Republic.

Jewish critics have not expressed their specific objections in public. The articles displayed give a comprehensive picture of the Germany of the 1930's and '40s. Those who mounted the exhibition apparently wanted it to speak for itself and, accordingly explanations and clarifications are rare. The display is there without much commentary.

For that reason, many argue, it could revive nationalistic sentiments and serve as a means for present day Germans to identify with the Nazis. Neo-Nazi groups have already come to the museum on pilgrimages and seem delighted with the exhibition.

Dr. Juergen Steen, a museum official, told an interviewer that he was guided by the purpose of showing the young generation and the general public how the Nazis achieved their popularity with German youth a half century ago. But, he added, the exhibition also stresses the contemporary youth movements which rejected Nazi ideas or even actively opposed Nazi rule.

Displaying "the so-called Nazi aestheticism" is part of making it understandable how the rise of the Nazi movement in Germany became possible, Steen said. He conceded that he and his colleagues foresaw a possibility that the exhibition -- one of four on the Third Reich currently at the museum -- would attract neo-Nazi elements.

Steen said he knew of three such occasions reported to him by museum guards. In the first two, followers of neo-Nazi leader Michael Kuehnen and members of the neo-Nazi "Viking Jugend" visited the exhibit and were pleased with it. On a third occasion, an unidentified person scrawled an anti-Semitic slogan on the wall. That was the only incident of its kind since the opening, Steen said.

CONSERVATIVE JEWISH LEADERS URGE RESTORATION OF BLACK-JEWISH COALITION

PHILADELPHIA, Oct. 16 (JTA) — A call for the restoration of a united Black-Jewish action front to work together for improved minority conditions, was made here today at special ceremonies at Independence Hall marking "A Day of Social Concern" sponsored by the Social Action Committee of the Rabbinical Assembly. The Assembly represents 1,200 Conservative rabbis internationally and claims to represent 1.5 million Conservative Jews in this country.

The call said that despite their differences, Jews and Blacks must restore the coalition of the 1960's and work together in such areas as education and job opportunities, urban renewal and the restoration of the ecological health of the nation's environment.

"We in the Jewish community are repelled by racial and religious bigotry of any kind and are frightened at a spectre of anti-Semitism, particularly, those echoed in the current political campaign," asserted Rabbi Alexander Shapiro, president of the Rabbinical Assembly. "We must not permit the statements of either a Jesse Jackson or a Rev. (Louis) Farrahman to prevent an alliance of Blacks and Jews working together for the social improvement of all minorities in America."

A similar declaration was made by Marshall Wolke, president of the United Synagogue of America, representing Conservative Judaism's 850 synagogues. He said: "We reaffirm the historic Jewish commitment to civil rights, which is underscored by the positive contact existing between the Black and Jewish communities, while deploring the demagogic utterings of Black extremists and the resultant distortion of Black-Jewish relations."

"We encourage and support all efforts to reestablish a viable, productive relationship between our two communities, both religious and secular, and call upon our rabbis and affiliated synagogues to intensify their efforts to this end."

A Number Of Recommendations

In urging renewed Black-Jewish ties, the Rabbinical Assembly and the United Synagogue asked their 1,200 rabbis and 850 congregations to initiate a variety of programs aimed at forging a closer grass roots understanding between Blacks and Jews.

Recommendations made were: pulpit exchanges with Black churches, adult education forums, articles in synagogue and church bulletins, use of Anglo-Jewish and Black publications, formation of local Black-Jewish dialogue groups and discussions on local TV and radio programs.

In his message, Shapiro called for the convening of a national meeting of Jews and Blacks, at the earliest possible moment. He stressed that such a gathering must include the widest possible spectrum of representation from both the Black and Jewish communities.

At the Independence Hall ceremonies, the Rabbinical Assembly honored veteran civil rights leader, Bayard Rustin, for his distinguished service to humanity and presented him with a mounted shofar containing the inscription, "masterbuilder of human rights for all people." Mayor Wilson Goode and Rabbi Max Housen, president of the Philadelphia Board of Rabbis, also participated in the program. In addition to Black-Jewish relations, the Conservative Jewish leaders convened at Temple Beth Zion-Beth Israel to discuss the question of nuclear disarmament and ecological problems.

CA GOVERNOR SIGNS BILL TO PROTECT OBSERVANT JEWS AGAINST UNACCEPTABLE POST-MORTEM PROCEDURES

By Ben Gallab

NEW YORK, Oct. 16 (JTA) — A bill to protect observant Jews in California against autopsies and other Jewishly-unacceptable post-mortem procedures has been signed into law by Governor George Deukmejian of California, becoming the third such law in the United States, Agudath Israel of America reported here. The first state was New York and the second New Jersey.

The California law establishes procedures whereby persons 18 years of age or older can execute a "certificate of religious belief," stating their religious opposition to post-mortem procedures.

If, upon such a person's death, a relative or friend notifies the coroner for the area that the dead person had executed a certificate of religious opposition, and produces the certificate within 48 hours after informing the coroner, the coroner may not perform the post-mortem procedure.

Exceptions applying in the three states permit the medical examiner to proceed with an autopsy if there is suspected or known homicide, or a suspected or known public health hazard, such as a communicable disease.

Broad Range Support

Dr. Irving Lebovics and Stanley Streitel, co-chairmen of the Los Angeles Agudath Israel Commission on Law and Civic Action, described as instrumental in drafting the measure and directing efforts for its passage in the California Legislature, had the support of a broad range of Jewish organizations, including Orthodox congregations, Jewish Federations in California, the Anti-Defamation League of B'nai B'rith, and the California chapter of the American Civil Liberties Union.

David Zweibel, Agudath Israel's government affairs director, said the new law was "an important first step" which would, "in large part, redress the law's insufficient sensitivity to the constitutional rights of citizens whose religious principles forbid post-mortem procedures in the absence of extraordinary circumstances."

But, Zweibel added, the California law does not afford the same degree of protection to observant Jews as do the laws in New York and New Jersey, which ban performance of autopsies even if the dead person had not signed a "certificate of religious belief" and which apply to observant Jews under the age of 18. He said, the California law, despite its shortcomings, represented "a major breakthrough" for what he called the growing Orthodox Jewish community on the west coast.

FIRST JEWISH WOMAN APPOINTED TO A HIGH POST IN THE MEXICAN GOVERNMENT

MEXICO CITY, Oct. 16 (JTA) — Clara Jusidman de Bialostotzky, a prominent sociologist with a doctorate in economics, has become the first Jewish woman to hold a high post in the Mexican government. She now heads the Instituto Nacional Del Consumidor (INCO), Mexico's Institute of consumer affairs. Bialostotzky was appointed by Minister of Commerce and Industry Hector Hernandez Cervantes who praised her abilities. She has held several official posts in other government ministries and agencies. Her duties now are to control prices and services.