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No. 13

GOVERNMENT COALITION ALIGNMENT BARGAINING OVER ELECTION DATE

By Gil Sedan

JERUSALEM, Jan. 19 (JTA) -- Bargaining began today between the Likud-led coalition and the Labor Alignment over an election date. The Cabinet decided yesterday on July 7 and government spokesmen insisted that date would win majority approval in the Knesset. Labor wants to go to the polls earlier and has proposed May 12.

Both sides seem willing to compromise. Justice Minister Moshe Nissim indicated that the July 7 date was subject to change because, according to him, the Cabinet ministers were unaware when they selected it that it would conflict with the opening of the Maccabiah Games.

The Labor Alignment expressed confidence that it could muster a Knesset majority for earlier elections. But Labor Party Secretary, Gen. Haim Barlev, intimated that the opposition would prefer an agreement with Likud to a Knesset fight on the issue. Labor has objected to July elections on grounds that they would coincide with the vacation season when some 150,000 Israeli voters are expected to be travelling abroad. Their votes would represent a decisive 7-8 Knesset seats. Israel has no absentee ballots.

Earlier elections also have the advantage of shortening the campaign which would result in saving millions of dollars in expenses. The government came under heavy fire in the press today for holding out for the latest possible election date and thereby "impoverishing the country."

ARIDOR IS NEW FINANCE MINISTER

By David Landau

JERUSALEM, Jan. 19 (JTA) -- The Cabinet met in special session today to confirm Premier Menachem Begin's choice of Yoram Aridor to be Finance Minister, replacing Yigal Hurwitz who resigned Jan. 11. Aridor, chairman of the Herut Executive, was recently named by Begin to be Minister of Communications, a portfolio relinquished by Energy Minister Yitzhak Modai. He is expected to retain that post.

Aridor's confirmation was somewhat of a surprise inasmuch as Likud's Liberal Party wing was still insisting yesterday that one of its men be named to head the Treasury. Begin, in fact, had acceded to the Liberals' demands despite protests from Herut ministers. But the Liberals apparently could not agree among themselves on a nominee. Both Modai and Minister of Commerce and Industry Gideon Patt wanted the job and an internal fight developed between them.

The Liberals informed Begin this morning that they were prepared to forego the right to name the new Finance Minister and to back Aridor whose selection was still being pressed by Herut. They reportedly received assurances from Begin that they would be consulted on all major decisions by the Finance Ministry. Aridor, a lawyer in his middle forties, is regarded as very close to Begin.

EGYPT BANS ISRAEL'S PARTICIPATION IN WORLD BOOK FAIR IN CAIRO

Move Seen As Setback To Normalization
By David Landau and Hugh Orgel

JERUSALEM, Jan. 19 (JTA) -- Egypt has suddenly banned Israel's participation in the international book fair due to open in Cairo next week. The move took Israeli officials by surprise and was viewed by them as a serious setback to the process of normalizing relations between the two countries. A Foreign Ministry spokesman said this afternoon that the Israeli Embassy in Cairo was seeking an explanation.

Israel was not officially notified of the ban. The Egyptian agent commissioned by the Israel Book Publishers Association to set up the Israeli exhibit was informed by the fair's organizers that the exhibit would not be welcome. The agent conveyed that information to the Israeli Embassy, according to reports reaching here today. Israeli diplomats in Cairo are trying to persuade the authorities to rescind the ban.

Official circles here said if that cannot be accomplished, the Egyptian move was likely to be viewed in Israel with great seriousness as an embarrassing retreat from the slowly developing normalization process.

The book fair was to be the first international event in Egypt in which Israel would take part. The Israel Export Institute has already spent considerable sums planning the exhibit. Although no official reason for the ban was forthcoming from Cairo, it is believed here that the Egyptians feared repercussions from elements opposed to any speed-up of normalization with Israel. Fear for the safety of the Israelis manning the book display was also expressed.

NAVON URGES JEWS TO HAVE MORE CHILDREN TO COUNTER DANGER OF LOW BIRTH RATE AND ASSIMILATION

By David Landau

JERUSALEM, Jan. 19 (JTA) -- President Yitzhak Navon last night called on Jews throughout the world to have more children. He spoke at the seventh plenary assembly of the World Jewish Congress which today elected Edgar Bronfman, of New York, as its president succeeding Philip Klutznick.

Navon, speaking at the opening session last night, warned that world Jewry was endangered by a low birth rate and assimilation. He said that unless the birth rate was increased there would be less than 8 million Jews left in the non-Communist world by the end of the century.

The birth rate was declining in Israel too, except among the Orthodox, Navon noted. But he said the situation is better in Israel than in the diaspora. He noted that Israel has 23 percent of the world's Jewish population but 40 percent of the Jewish children in the world. Navon also urged the WJC to "establish a dialogue" with Islam in order to foster better world understanding between the two religions.

The plenary assembly, the WJC's first in six years, brings together some 500 Jewish leaders from 60 countries, including delegates from Poland, Bulgaria, Yugoslavia, and Rumania.

One issue that is expected to be the focus of attention is the rising anti-Semitism in Europe, South America and the United States. Attention will also be placed on relations with Islam and Christianity, the situation of Jews in the Soviet Union and the Arab countries, and the threat to Jewish survival of intermarriage and assimilation.

Waning Influence of Jews

In a keynote address to the assembly last night, Bronfman said the influence of Jews on the policies of Western governments was becoming "less effective." In the United States, Americans continue to admire and respect Israel as the lone democracy in hostile surroundings and the new Reagan Administration "will no doubt strive to maintain Israel's strength and security," Bronfman said. "But it will probably view Israel as only one important factor in the global East-West struggle."

In an obliquely critical comment on Israel's troubled political situation, Bronfman noted that Israel has "too much politics and not enough leaders." But he spoke warmly of Israel's "ingenuity and valor," saying that every Jew everywhere "takes pride in Israel's accomplishments."

Listing inflation, emigration and ethnic problems, Bronfman said that Israel at 33 "already has entered its 'mid life crisis' even though it is still a young state. 'Even as we Americans, British and Eastern Europeans are struggling with our systems, so, too, is Israel,'" he said. Still, he added, he drew encouragement from a recent conversation with the Orthodox scholar Rabbi Joseph Soloveitchik of Boston who had urged "We must return to be Jews whose strength and idealism can be a leading force in societies wherever Jews live."

Bronfman assumes the WJC presidency after being acting president since Klutznick became Secretary of Commerce in President Carter's Cabinet last year. Klutznick's long time predecessor at the helm of the WJC, Dr. Nahum Goldmann is not attending the assembly.

Reagan Urged To Adhere To Peace Process

Another speaker last night was former U.S. Sen. Jacob Javits (R. NY) who urged the Reagan Administration to "resist the blandishments of Western Europe" and "remain constant to the Camp David peace process and the Israel-Egypt peace treaty."

Javits decried Western European "efforts to bring about a Mideast settlement that would make Israel's security heavily dependent on guarantees from other countries and that would accept the ultimate establishment of a Palestinian state on Israel's borders. Short term gains and fancied favors from Arab oil exporters will turn into long term disasters if Camp David is derailed."

A highlight of last night's opening ceremony at the Binyanei Ha'ooma Convention Hall was the presentation of an award from the WJC to Zubin Mehta, the long time musical director of the Israel Philharmonic Orchestra who is also director of the New York Philharmonic. Mehta, a non-Jew born in India, stressed the orchestra's role as a goodwill emissary on behalf of the Jewish State. Earlier, he led the orchestra in a performance for the WJC.

MAPAM TO HOLD ARAB-JEWISH CONFAB

JERUSALEM, Jan. 19 (JTA) — Mapam will hold a national Arab-Jewish congress here next

month. Victor Shemtov, secretary general of Mapam told a press conference here yesterday that the congress will promote Arab-Jewish cooperation in the wake of the deteriorating relations between the two peoples.

He said the congress would seek to "renew the dialogue between the two peoples" which have suffered in recent years as a result of growing extremism among Arabs and Jews. The congress, Shemtov said, would be followed by a Jewish-Arab public council whose function would be to deal with the pressing problems of the Arab community in Israel. Later this year, Mapam plans to hold a "spring congress" which would mark a new phase in the relations between Arabs and Jews, he added.

Shemtov stressed that the proposed congress next month was not intended as a substitute for the banned Communist Arab congress which was to have been held last month in Nazareth, nor was it linked to the upcoming national elections. (By Gil Sedan)

3 U.S. AIRCRAFT MANUFACTURERS SEEKING DEAL TO PARTICIPATE IN PRODUCING ISRAELI FIGHTER PLANE

TEL AVIV, Jan. 19 (JTA) — Three leading American aircraft manufacturers are reported to be making offers to Israel Aircraft Industries for a deal in which they would participate in the production of Israel's latest combat plane in exchange for an Israeli undertaking to purchase their own planes exclusively for the next 20 years.

The three-way competition involves Northrop, General Dynamics and the McDonnell Douglas companies which are offering the F-18 L, the F-16 and the FA-18, respectively. The American firm whose offer is accepted would participate in manufacturing the Lavie, the second generation Israeli-designed and produced jet fighter which will replace the Kfir. The Lavie, like the Kfir, will be powered by an American-made jet engine.

A spokesman for Israel Aircraft Industries declined to comment on the reports. He said various offers will be considered in the next six months before a definite proposal is put to the government for approval. (By Hugh Orgel)

RAYTHEON TO PAY FINE IN ARAB BOYCOTT CASE

By Joseph Polakoff

WASHINGTON, Jan. 19 (JTA) — The Raytheon Company, manufacturers of electronics and communications equipment, has agreed to pay a civil penalty of \$5,000 for supplying information about its business relations to the Arab League's Central Boycott Office in Damascus, the Department of Commerce has announced.

Raytheon, whose executive offices are in Lexington, Mass., neither admitted nor denied the charge that the Department alleged was in violation of the anti-Arab boycott legislation. The legislation "prohibits U.S. firms or individuals from providing information in support of a boycott imposed by a foreign country against another nation friendly to the U.S., such as Israel," the Department said in its announcement.

Raytheon, according to the Department, brought the alleged violation to the Department's attention when the company discovered it had supplied the information to the boycott office in Syria. "Raytheon said it relied upon misleading information from a U.S. government official overseas concerning the effective date of the regulations," the Department said. The regulations became effective Jan. 18, 1978.

Eric Hirschhorn, Deputy Assistant Secretary of Commerce for export administration, said "The

Office of Anti-Boycott Compliance conducted a thorough investigation of Raytheon's international transactions and Raytheon's anti-boycott program. As a result of the findings of that investigation, the Department has determined that it need not order Raytheon to implement a more effective compliance program than it already has in place." The Department's letter charging Raytheon was addressed to Philip Phalon, the firm's vice president for international affairs.

ISRAELI ELECTIONS ECLIPSED IN WASHINGTON BY INAUGURATION AMERICAN HOSTAGE SITUATION IN IRAN By Joseph Polakoff

WASHINGTON, Jan. 19 (JTA) -- Eclipsed by the ceremonies marking the inauguration of Ronald Reagan and George Bush to the helm of the American government and arrangements for the release of the 52 Americans held hostage in Iran for 14 months, the Israeli Cabinet decision to hold elections in July received relatively scant attention.

No questions were asked today at the State Department at its public briefing about the effects of the decision on the Middle East peace process or the decision to put Premier Menachem Begin's policies before the electorate.

Informed sources had long speculated that even were Begin not driven into an election before his term expired in November the chances were remote that the Reagan Administration would attempt to further the peace process during the first few months. America's economy, the country's defense forces and energy sources is said to comprise the new Administration's basic priorities.

Another factor that is considered delaying Reagan action until after the Israeli election is the sudden decision by Harold Saunders to retire not only as Assistant Secretary of State for Middle Eastern Affairs but to leave government service except for a period as consultant on the Iranian hostage situation.

Speculation On New Personnel

For the time being, the acting Assistant Secretary is Peter Constable, the senior deputy assistant secretary in the bureau, whose primary responsibility is Iran. Speculation on Saunders' successor is centering on Nicholas Veliotis, a foreign service career officer who is now the U.S. Ambassador to Jordan, and Henry Rowen, a "whiz kid" in the Defense Department in the 1950s when Robert McNamara was its Secretary.

Rowen, a defense economist, and a former director of the Rand Corp., the research group in Santa Monica, Calif., is now a consultant on energy and defense matters. Before going to Amman in August, 1978, Veliotis was deputy director of the State Department's policy planning staff and for four years deputy chief of mission at the U.S. Embassy in Tel Aviv. A Californian, Veliotis joined the Foreign Service in 1955.

Jewish Republicans Feted

Meanwhile, close to 100 leading Jewish Republicans in Washington for the inaugural ceremonies were entertained at the Capitol by the American Israel Public Affairs Committee headed by executive director Thomas Dine. Among those unable to attend were Theodore Cummings of Los Angeles and Max Fisher of Detroit, the honorary chairmen of the Reagan-Bush Coalition that was organized last July in Detroit during the Republican National Convention. Both Cummings and

Fisher were reported pressed by personal matters and their absence completely unrelated to political circumstances.

Among those attending were Ivan Novick, Gordon Zacks, George Klein, Maxwell Rabb, Leonard Goldfine, Jacob Stein, Richard Rosenbaum, Paul Borman, Stanford Adelstein, Norman Bremen, Richard Fox, Irwin Levy, and Bud Hackenberg.

PLAN TO REORGANIZE DUTCH JEWISH COMMUNITY AND ITS RABBINATE By Henriette Boas

AMSTERDAM, Jan. 19 (JTA) -- A comprehensive plan to reorganize the Dutch Jewish community and its rabbinate in order to better serve a community that has shrunken dramatically since World War II, is currently under discussion by Jewish leaders in various regions of the country. The blueprint for structural and organizational changes was drafted by a special commission established a year-and-a-half ago by The Netherlands Jewish Community (NJK).

The plan is basically for the consolidation and rationalization of a community and a religious establishment which has remained largely as it was when the Germans invaded in 1940 and has, in fact, changed little structurally for more than 150 years. But the 120 congregations that existed in Holland before World War II now number only 43 and most of them are too small to be self-sufficient with respect to synagogue services, Jewish education and other services.

The reorganization plan, titled "Prospects for the 1980s," would reduce the 43 congregations which are presently on a local basis to 15 which would function on a regional basis. Exceptions would be the congregations in Amsterdam, Rotterdam and The Hague. Each regional congregation would have a minimum of 200 members.

The plan would also redefine the tasks of rabbis. Before the war, there were 11 chief rabbis in Holland whose jurisdiction coincided more or less with the provinces in which they lived. Today there are only four—Amsterdam, Rotterdam, The Hague and Utrecht. The latter covers all of Holland outside of the three largest cities. The rabbinical posts in Rotterdam and The Hague have been vacant for some time and are not likely to be filled soon for financial reasons.

In Utrecht, the incumbent Chief Rabbi reached the official age for pension several years ago and the Chief Rabbi of Amsterdam will reach that age this year. The reorganization plan would divide the tasks of chief rabbis on a functional rather than a geographical basis.

It calls for a three-member Chief Rabbinate of which one member would have representational, coordinating and organization responsibilities, another would be a specialist in halacha and the third a specialist in education. The latter would also hold the post of principal of the Ashkenazic Rabbinical Seminary in Amsterdam.

The three rabbis would comprise the Rabbinical Council to be headed by one of them as chairman. He would be, in principle, the Chief Rabbi of The Netherlands. *

TEL AVIV (JTA) -- Koor Enterprises, Israel's largest industrial complex, owned by Histadrut, increased its exports by 44 percent last year, from \$271 million in 1979 to \$390 million in 1980, despite the loss of Iran, which had been one of its major customers, according to managing director Naftali Blumenthal. During the heyday of Israel-Iran relations, that country took one-third of all Koor industrial exports. Blumenthal noted that the export component of Koor's total sales had risen from 23 percent to 27 percent and should reach 30 percent this year.

BEHIND THE HEADLINES**SENATOR RUDMAN'S BACKGROUND IS 'ONLY IN AMERICA' STORY**

By Joseph Polakoff

WASHINGTON, Jan. 19 (JTA) -- New Hampshire's newest Republican U.S. Senator, Warren Rudman, is a third generation Yankee with Baltic and Russian forebears who started life in America a century ago. That first generation weathered the bitter hardships of immigrant existence and the new Senator -- one of six Jewish Americans in the upper chamber of the 97th Congress -- has apparently inherited the determination of his elders, although in other ways, to win in war, legal competition and national politics.

Rudman, now 50 years old, has been a battler since his youth; as a school boy at Valley Forge Military Academy and, after graduation from Syracuse, as an infantry captain and company commander in the Korean war that brought him a bronze star -- the U.S. Army's third highest decoration -- for heroism under fire.

Out of the army, as a lawyer in his hometown of Nashua, 40 miles north of Boston, he continued fighting for his ideas. Ten years after being graduated from Boston College Law School, he was appointed New Hampshire's Attorney General. Within five years, he was elected president of the National Association of Attorneys General.

As New Hampshire's chief law officer, he expanded the criminal division in his office to deal with the state's rapid population growth and put into effect the first organizations concerned with consumer and environmental protection. In 1977, as a private citizen, he created and led the citizens' organization that fought the legalization of casino gambling in New Hampshire. With this background, he entered the senatorial primary in a field of 10 last year and then, as the Republican candidate, unseated the Democratic incumbent, John Durkin.

Stand On Major Issues

What does Rudman stand for? In the New Hampshire political campaigns, he spoke out against the "over-influence of big labor and its contributions" to political favorites. He denounced his Democratic opponent's views towards the nation's economic legislation and national defense. In keeping with his speeches, he "wouldn't take a dime from any out-of-state political action committees."

"I'm very strong on national defense," he added in an interview in his office. "I'm concerned the U.S. will be a second rate power by the end of this decade if something is not done and done right away."

That brought up the question of his vision of Israel in the U.S. security program. "My position on U.S. foreign policy is that it must be in the interests of America," he replied. "Israel is a stalwart friend of the U.S. It's the only real democracy in the Middle East. The U.S. must continue to give strong support to Israel because it is in our interest as well as hers. We must support and strengthen the Camp David accords and continue working in that direction. This has to be a bipartisan effort that crosses party lines. Some more moderate Arab countries realized Israel is a force of stability and can be a stronger force for stability in the Middle East."

Appointed to the Senate Appropriations and Government Affairs Committees, both of which

deal with overseas relations, Rudman was asked about U.S. aid to Israel and support for Soviet Jewry. "I will consider foreign aid point by point," he said. "Certainly we should give economic aid to countries in the Middle East that is in our own interest as well as theirs. That also goes for military equipment."

On the Jackson-Vanik amendment that relates U.S. governmental credits to the Soviet Union to its emigration policy, Rudman said he wants "to study it more fully." He noted he needs "a lot of information" to make that decision -- "information you don't get until you're in the Senate."

Typify Jewish Families

Rudman is not associated with any organization -- "Jewish or otherwise," saying "I'm not a joiner." He did not have much Jewish education -- "my choice" -- he said. "Religion is very personal to me and I don't talk about it. I'm well informed about Jewish religion although I'm not formally trained."

The Senator and his wife, the former Shirley Wahl, have a son and two daughters, all in their 20s. In many ways the Rudmans typify Jewish families that came to America in the last century. Grandfather Abraham Rudman arrived in Bangor, Maine from Vilna about 1881 when he was only 14 years old and placed on a farm outside Bangor to which he later went and entered the soft drink bottling business. Subsequently, he married an Odessa emigrant and they had four sons, and a daughter, all university graduates -- Harvard, Tufts and Wellesley.

Meanwhile, Abraham became a representative of the Moxie soft drink company and he set up 26 agencies in Maine, New Hampshire and Vermont. During World War I, all his four sons served in the U.S. Army. The first Rudman brought his brothers to America from Lithuania and one of their sons -- Abe Rudman -- became a Maine Supreme Court justice. The Senator's maternal grandparents -- the Levinsons -- both came from Riga, Latvia and settled in New York City.

The year Edward Rudman, the Senator's father, was born in Bangor in 1897, 12 men in Nashua founded the Temple Beth Abraham Congregation. When Edward came to Nashua the town had 35 Jewish families in a general population of 30,000. Since then, with the influx of electronics industries, the general population has increased to 75,000 and the Jewish population has grown to 300 families, many of whose breadwinners are engineers in the new industries. Being a builder and furniture manufacturer, Edward Rudman was named chairman of Temple Beth Abraham's building committee that constructed the new temple for the community.

As the interview was ending, a reporter remarked to the Senator's wife that the Rudman saga was "unbelievable" -- from an immigrant who had no knowledge of English to a U.S. Senator in three generations. Hearing this, the Senator called out: "Only in America, as Harry Golden would say." There was a general nodding of agreement.

TEL AVIV (JTA) -- Polish Religious Affairs Minister Jerzy Kuberski said Sunday the collection of documents relating to the Polish Jewish educator Janus Korczak kept at the Polish Jewish Museum in Kibbutz Lohamei Hagetaot appeared to be the most comprehensive collection of its kind in the world. Kuberski visited the kibbutz and its museum during a visit to Israel to attend a meeting of the International Janus Korczak Society. Korczak was a teacher who escorted his young charges to their deaths at the Treblinka death camp in 1942.

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KNESSET DEBATES PROPOSAL TO HOLD ELECTIONS JULY 7

By David Landau

JERUSALEM, Jan. 20 (JTA) -- Debate began in the Knesset today on the government's bill to hold elections next July 7. But behind the scenes discussions are also underway between coalition and opposition factions and most political observers predict a Labor-Likud compromise on a somewhat earlier date, possibly June 23.

MK David Glass of the National Religious Party, who is chairman of the Knesset's Legal Committee, seemed to agree with that prediction. His committee will get the government bill after it passes its first reading and will refer it back to the full Knesset for its second and third readings with recommended changes. The compromise date will probably be decided in committee where Glass and his two NRP colleagues hold the balance between Likud and Labor.

July 7 was the date decided on by the Cabinet last Sunday, though apparently subject to change. Likud's Liberal Party wing is unhappy with it because the Maccabiah Games with which the party is closely associated begin on July 6. The Labor Party objected because July is the vacation season when many Israeli voters will be abroad. Labor Party chairman Shimon Peres said today that July 7 was just a "whim" on the part of Premier Menachem Begin.

12 MEMBERS OF EGYPT'S PARLIAMENT IN ISRAEL ON A LONG-PLANNED VISIT

By David Landau

JERUSALEM, Jan. 20 (JTA) -- Twelve members of Egypt's Parliament sat in the Knesset gallery today watching their Israeli counterparts debate over a date for early elections. The group, headed by Mohammed Ahmed Abdullah, chairman of the Foreign Relations Committee of the Egyptian Peoples Assembly, arrived last night on a long-planned visit. It is the first of what is hoped to be a series of interchanges between Israeli and Egyptian parliamentarians as the process of normalization continues.

The Egyptian group includes one woman and one member of the opposition Liberal Party. The others belong to President Anwar Sadat's ruling National Democratic Party. They are accompanied by four Egyptian journalists who cover the Parliament in Cairo.

Abdullah told reporters that their very presence in the Knesset was the best proof that normalization between Egypt and Israel is making progress. He and his colleagues professed to know nothing of the ban on Israel's participation in the international book fair opening in Cairo next week, which was reported here yesterday.

The visitors met with a group of Knesset members this morning and are due to meet separately with Shimon Peres, chairman of the opposition Labor Party, and former Foreign Minister Moshe Dayan, now an independent MK.

TRIAL OF NAZIS MAY END IN MISTRIAL

BONN, Jan. 20 (JTA) -- The sixth and probably last trial of Nazis accused of war crimes at

Auschwitz may end in a mistrial in Frankfurt today because the chief defendant, Horst Czerwinski, 58, suffered a heart attack. Lawyers for his co-defendant, Josef Schmidt, 58, have demanded a mistrial on grounds that their client's case is closely related to that of Czerwinski who is not expected to return to the dock for a considerable time.

Czerwinski, who was a commander of the Lagischa camp in the Auschwitz complex has been charged with the murders of at least eight inmates. Schmidt, a "Blockfuhrer" at the same camp is accused of collaborating in the killings. The proceedings against them have been underway for 3 1/2 years.

Observers here believe the court will have to drop the cases against both men because the prolonged absence of Czerwinski will interrupt the continuity of the legal process required by law. The entire proceedings would have to begin from scratch, but that option is unrealistic because the case depends heavily on witnesses who are not expected to appear a second time.

NEW ECONOMIC PROGRAM TO BE INTRODUCED BY ARIDOR

By David Landau

JERUSALEM, Jan. 20 (JTA) -- Israel's newly appointed Finance Minister, Yoram Aridor, is expected to introduce an economic program to slow the steady devaluation of the Shekel, improve labor relations, encourage long-term investments and savings by the public and, hopefully, reduce the annual inflation rate, now at a record 130 percent-plus to a more manageable double digit figure.

Much of Aridor's program was recommended to his predecessor, Yigal Hurwitz, in an economic plan paper submitted a month ago, close associates of the new Finance Minister told reporters today. He is expected to continue Hurwitz's policy of slashing government spending which he considers absolutely essential if inflation is to be contained. That proved to be Hurwitz's most formidable obstacle. He achieved only limited success and resigned over the issue Jan. 11.

Elements of New Economic Plan

Aridor intends to prop up the Shekel by offering the public foreign currency saving schemes. A stronger Shekel would have adverse effects on exports which rose substantially during Hurwitz's regime, his most notable achievement. Aridor is said to be ready to recommend additional incentives and compensation to exporters who find it hard to market their goods abroad without a cheap Shekel.

Aridor will make wage and salary increases dependent entirely on increased productivity. He believes this formula would lead to labor peace by cushioning wage-earners against inflation and offering them a tangible inducement to improve productivity and at the same time, would peg cost-of-living increments to 100 percent of the price index and pay them monthly instead of quarterly. At present, the increments do not cover the full rise of the price index.