

SHARON'S REPORTED PROPOSAL TO SELL STRUCTURES AND EQUIPMENT IN SINAI TO EGYPT DRAWS STRONG PROTESTS

By Hugh Orgel

TEL AVIV, Jan. 25 (JTA) — Reports that Defense Minister Ariel Sharon proposed the sale of structures and equipment in northern Sinai to Egypt when he visited Cairo last week has drawn strong protests from two Jewish Agency officials. Dismantling of the equipment has been suspended because of resistance by militant settlers and squatters in the Yamit region.

Sharon is believed to have asked the Egyptians to allow Israel to complete the job after the April 26 deadline for withdrawal from Sinai when all of the settlers will have been evacuated from the region. But Raanan-Weitz and Mattityahu Drobless, co-chairmen of the Agency settlement department, believe Sharon's aim is not to remove the structures but to sell them to the Egyptians.

They contended today that this would be a waste of money because the replacement costs would greatly exceed the purchase price. The items involved include hothouses and other agricultural installations, various buildings and irrigation systems. These were slated to be taken down and transported to relocation sites but Jewish Agency workers were called off the job last month to avoid a confrontation with the settlers.

The Knesset's Finance Committee continued today to search for a formula to compensate settlers for abandoning homes, farms and businesses when they leave Sinai. Sharp exchanges were reported between committee members and settlers' representatives who claimed they had been misled by the government. A majority of the committee reportedly favors the payment of compensation partially in long term government bonds while the balance, paid in cash, would be subject to income tax.

GAZA MAYOR JOINS FREIJ ON CALLING ON THE PLO TO RECOGNIZE ISRAEL

JERUSALEM, Jan. 25 (JTA) — Mayor Rashad Shawa of Gaza called on the Palestine Liberation Organization yesterday to recognize Israel. He was the second prominent mayor in the occupied territories to do so over the weekend. Earlier, Mayor Elias Freij of Bethlehem urged the PLO to extend recognition to Israel and thereby "challenge it and the United States to peace."

Shawa, interviewed by Israel Radio, said that "the PLO are not all Palestinians" but the people of Israel must recognize the Palestinian people, which includes the PLO and the PLO must also recognize Israel. Shawa has been under limited arrest by the Israeli authorities for the past several weeks and is prohibited from leaving the town of Gaza.

Other Arab Mayors Reject Freij's Call

Meanwhile, however, other West Bank mayors rejected Freij's urging. Mayor Bassam Shaka of Nablus, considered the leader of PLO supporters on the West Bank, said Freij was "surrendering to the pressures of Israel and the United States." He

said Israel and the U.S. should recognize the PLO first. A similar view was expressed by the mayors of Kalkiliya, Tulkarm and Ramallah.

A DEPUTY MINISTER DENIES MAKING A PERSONAL CONTRIBUTION TO SETTLERS OPPOSED TO WITHDRAWING FROM SINAI

By Gil Sedan

JERUSALEM, Jan. 25 (JTA) — Deputy Minister of Transport David Schiffman denied today that he had made a personal contribution to the Movement to Halt the Withdrawal from Sinai in order to undermine government policy. Schiffman came under attack by fellow members of the Likud coalition in the Knesset for his visit to the Yamit region in northern Sinai yesterday.

He admitted, in an interview on the Army Radio today, that he had presented a personal check for a substantial sum to a settlement in the Yamit region but claimed his act was misinterpreted. "I support the government's way of implementing the peace agreement with Egypt," he said. "I also support the withdrawal from Sinai, as we are in fact doing." He conceded, however, that during his visit to the Yamit region he had expressed hope that some arrangements could still be made to leave the Jewish settlements intact within the framework of the peace treaty with Egypt.

Schiffman is the second deputy minister to incur the wrath of Knesset members for seeking to halt the withdrawal. Most members of the Likud Knesset faction yesterday denounced Deputy Minister of Religious Affairs Chaim Druckman for his open support of the movement to halt the withdrawal.

Druckman, a member of the National Religious Party, is presently in the U.S. with a delegation of withdrawal opponents trying to convince American Jews that Israel's security and survival would be endangered if it gives up its foothold in Sinai. The activities of Druckman and Schiffman are the subject of an agenda motion to be discussed by the Knesset.

CABINET DEFERS DECISION ON ARIIDOR'S PROPOSED 475 BILLION SHEKEL BUDGET FOR THE NEW FISCAL YEAR

By Gil Sedan

JERUSALEM, Jan. 25 (JTA) — The Cabinet deferred a decision yesterday on the 475 billion Shekel (\$30 billion) budget presented by Finance Minister Yoram Ariidor for the new fiscal year. The budget was the principal item on the agenda but Cabinet sources said that even though it occupied most of the session, the discussion was only preliminary and would be continued at future meetings.

Ariidor's proposed budget is almost double the 210 billion Shekel budget of the current fiscal year. But according to economists, it is smaller than expected because the Finance Minister has included more extra-budgetary expenditures than in past years. In real terms, the government will be spending more, they said.

The extra-budgetary funds will come out of ministries which have income as well as expenditures. The Housing Ministry will expand its activities on a

smaller budget by utilizing loans from commercial banks. The Communications Ministry will be asked to transfer less of its earnings to the Treasury and use the balance to finance projects that ordinarily would have come out of its budget.

Aridor gave the Cabinet an optimistic forecast for the economy in the new fiscal year. He predicted economic growth will continue with a five percent rise in the gross national product; inflation will decrease by 10 percent and the balance of payments will improve. He expects imports to increase by nine percent compared to seven percent in the last fiscal year. He said the average rate of the Shekel will be 35 to the U.S. dollar.

Angry Criticism Of The Budget

Although the government has yet to approve it, Aridor's budget ran into angry criticism in the Knesset today from coalition and opposition MKs alike. Shlomo Lorincz, chairman of the Finance Committee, accused the Finance Minister of trying to impose his budget on other ministers and ram it through the Knesset without sufficient time for a thorough discussion.

The new fiscal year begins April 1. Lorincz said his committee would approve an interim budget so that the government can continue to function while the Knesset makes a detailed examination of Aridor's proposals without the pressure of time.

Adi Amorai, of the Labor Alignment, denounced Aridor for priming the economy just before the Knesset elections last June. He charged that the government bought votes by raising price subsidies and reducing the cost of consumer goods to please the voters.

"Aridor now wants to save the money he was so generous with during the election year," Amorai charged, observing that the main burden of his proposed cuts will fall on education and social services.

Geula Cohen of the Tehiya faction said that while the government can cut the defense budget this year, it will have to increase it considerably next year because of the withdrawal from Sinai.

YERIDA ATTRIBUTED TO ACUTE HOUSING SHORTAGE AND UNEMPLOYMENT IN ISRAEL

By Yitzhak Rabi

NEW YORK, Jan. 25 (JTA) -- The acute housing shortage and the problem of unemployment in Israel, particularly among the young, are the two major factors contributing to yerida (the emigration of Israelis), according to Dov Shilansky, a Deputy Minister in Israel's Prime Minister's Office, who is in charge of preventing yerida.

Speaking with Israeli reporters here at a press conference today sponsored by the Jewish Agency's aliya department, Shilansky, who arrived here last Friday for a two-week visit to study the problem of yerida, said that according to official Israeli statistics some 300,000 Israeli citizens emigrated since 1948 and settled mostly in North America.

Shilansky said that during the U.S. visit he will meet with Israelis in Los Angeles and Philadelphia, in addition to meetings with yordim in New York which he held in the last three days. He said that he met with Israelis in Manhattan, Brooklyn and Queens over the weekend and that those meetings made it clear to him that many Israelis here would like to return home. He said that difficulties in finding appropriate housing and employment

in Israel are deterrents to many who wish to return. But Shilansky said that many Israelis whom he met here are "frustrated." He said in each meeting he had with Israelis there were those who "attacked Israel and defamed it."

Will Present Tapes To Begin

Shilansky said that he tape recorded the conversations he had with yordim and that upon his return to Israel he will prepare a condensed version of the tapes and present it to Premier Menachem Begin in order for the Premier to get first-hand information about the feelings of Israelis abroad.

Shilansky added, however, that in order to prevent yerida it is important to de-legitimize emigration from Israel the way it used to be after the State of Israel was established.

"It is important that the public in Israel should know that not every Israeli in America is a millionaire," and that most of them struggle hard to make a living, he said.

ISRAEL GOVERNMENT TO TAKE OVER HADASSAH HIGH SCHOOL IN JERUSALEM

KIAMESHA LAKE, N.Y., Jan. 25 (JTA) -- In a dramatic opening session of the midwinter national board meeting of Hadassah last night, Frieda Lewis, national president, announced that the Israel Ministries of Education and of Finance, and the Municipality of Jerusalem, have arrived at an understanding with Hadassah which will lead to the eventual takeover by the government of the historic high school established by Hadassah's founder, Henrietta Szold, in 1942.

Mrs. Lewis said the government will erect a new school building for 750 students prior to the 1986-87 school year; and it will share in a phased transfer of the school to the Municipality that will retain the name of Hadassah to the school forever.

Mrs. Lewis explained that "In the course of 70 years it has been Hadassah policy to evaluate and assess the programs against a backdrop of Israel's changing needs. Thus in the tradition of our early transfer of hospitals, health stations, and school lunch programs to the Israeli authorities, we have recognized the need to switch our emphasis from the high school to higher technical education. This move will eventually provide more space for the Hadassah Community College."

Blum: USSR Exploits Arab Obsession With Israel

The two opening night speakers, in addition to Mrs. Lewis, were Israel's Ambassador to the United Nations, Yehuda Blum, and the Israel Consul General in New York, Naphtalie Lavie.

Blum presented a survey of recent events at the United Nations, and said that the "Soviet Union and its supporters are exploiting the Arab obsession with Israel in order to deflect attention from trouble spots such as Poland." He also expressed appreciation to U.S. Ambassador to the United Nations, Jeane Kirkpatrick, "for the principled stand she has taken during the Security Council debate on the Golan Resolution."

Lavie: Israel Is The Only Country Saving Jews

Lavie said that "Israel is the only country in the world expert in saving Jews," and said that nearly two million have been rescued from displaced person camps, oriental countries, and other areas of danger since World War II.

The fact that the flow of Jewish immigration from the Soviet Union and from Ethiopia is at a low ebb does not mean that the Israelis have not been working on the problem, Lavie said, adding that it was unfair for Israel to be blamed for the reluctance of the Marxist countries to allow the Jews to leave.

Discussing the autonomy talks, Lavie said that, "For the first time the Palestinian Arabs are being offered by Israel more autonomy than they ever had under the Turks, the British Mandate, or Jordan."

SOVIET JEWISH COMMUNITY IN L.A. DISTURBED BY POLICE CHARGE THAT USSR IS SENDING CRIMINALS AND TERRORISTS INTO CITY DISGUISED AS JEWS

LOS ANGELES, Jan. 25 (JTA) — The Soviet Jewish emigre community here is seriously disturbed by Police Chief Daryl Gates' remarks at a press conference last Friday that the Soviet Union might infiltrate criminals and terrorists into Los Angeles disguised as Russian Jewish emigrants to disrupt the 1984 Olympic Games.

Gates backtracked as soon as he raised the issue, according to Los Angeles Times staff writers Larry Stammer and Kenneth Reich, by acknowledging that such speculations tarred the Russian emigrants with a "broad brush."

But spokespersons for the emigre community charged that the Police Chief's remarks would "seriously diminish" job opportunities, breed suspicion and reflected a growing trend toward "isolationism and chauvinism" in the U.S., Stammer and Reich reported. The prospect of Soviet criminals entering the country disguised as Jewish emigres was attributed by Gates to a report made by his detectives.

A section of the report, titled "Soviet Emigre Mafia," warned that "many knowledgeable people are of the opinion that the Soviets are selecting dangerous criminals and sending them to the United States via the Jewish Immigration Quota. The Soviets realize that they can aggravate our already serious crime problem in this manner. Intelligence agents and spies are infiltrating in the same way."

The report was disclosed by Gates to a group of media and business executives he invited to the Police Academy last Thursday to brief them on the department's personnel needs and other problems. It made headlines in the local media, prompting Gates to hold his press conference at which he admitted the infiltration scare was little more than "speculation" and "supposition" by the authors of the report. He added, however, that it was necessary to anticipate "worst case" scenarios, the Times reported.

U.S. NOT CONCERNED WITH EGYPTIAN REQUEST TO SOVIET UNION TO SEND INDUSTRIAL EXPERTS TO EGYPT

By David Friedman

WASHINGTON, Jan. 25 (JTA) — The State Department denied today that it was concerned about the report that the Egyptian government has asked the Soviet Union to send 66 industrial experts to help at Egyptian factories.

"We don't attach undue importance to this," State Department deputy spokesman Alan Romberg said. He said that the Egyptians apparently needed some Soviet technicians to repair Soviet equipment in the factories.

However, the gesture was seen as an effort by Egyptian President Hosni Mubarak to restore ties with the Soviet Union broken last September when the late President Anwar Sadat expelled nearly 700 Soviet experts along with Soviet Ambassador Vladimir Polyakov.

Meanwhile, the State Department has labeled as "absurd" and "malicious" an Israeli

newspaper report that the U.S. has held up foreign economic aid payments to Israel as punishment for its annexation of the Golan Heights.

Department spokesman Dean Fischer noted last Friday that for the last two years half the economic aid appropriated for Israel was provided by the end of December with the other half being made in two equal payments at the end of March and June. The same is true for the 1982 allocations, Fischer said. He said Israel received \$403 million by the end of December and will receive the remaining \$403 million in two equal payments.

Fischer conceded that a House-Senate conference committee, in authorizing foreign aid for Israel last month, urged that the payments be made within 30 days. But Fischer said the budget constraints that the U.S. government is operating under now would have made this difficult to do.

NEO-NAZIS DISRUPT SYNAGOGUE SERVICES

By Lisa Palmieri-Billig

ROME, Jan. 25 (JTA) — Three neo-fascist youths, who burst into the main synagogue here during Saturday morning services shouting "Sieg Heil" and "death to the Jews", were rescued by police after infuriated worshippers surrounded their getaway car at a traffic intersection.

The three, all aged 20, were taken to police headquarters where four members of the congregation lodged an official complaint. They were then released. The incident will be brought before the judicial authorities who must decide whether to take further action. It is certain to renew demands by Jewish institutions in Rome for more adequate police protection.

Such demands have been made repeatedly as anti-Semitic assaults have increased in recent years but the police response has been only sporadic. Rome's main synagogue on the banks of the Tiber has been a frequent target. Several years ago, fire bombs exploded outside the building. The Chief Rabbi's car was burned last November. Three young Soviet Jews were seriously injured last year when a bomb exploded outside their usual gathering place at the central post office in Ostia, near Rome.

Other bomb targets have been the Israel Tourist Office and the El Al Office in Rome and at the airport. The trio that invaded the synagogue Saturday was identified as Italian neo-fascists. They raised their right arms in the fascist salute, which is forbidden, and shouted their epithets in front of a memorial plaque for Rome Jews deported by the Nazis.

NEW YORK (JTA) — The openly anti-Semitic group that calls itself the U.S. Labor Party is currently facing severe internal problems, including the defection of 117 of its key leaders, according to the American Jewish Committee's Trends Analyses Division. Informed sources report, says AJC, that the 117 Party leaders quit the group because of the blatant anti-Semitism of Lyndon LaRouche Jr., the party's chairman. LaRouche responded to the defections, AJC goes on, by claiming that the Party had been infiltrated by "spies" from various "enemy camps."

TEL AVIV (JTA) — Foreign Ministry sources said in Jerusalem Monday that President Francois Mitterrand of France will come to Israel on March 3 for a three-day official visit. It will be the first by a French chief of state. A party of French officials is due in Israel Tuesday to coordinate plans for the visit with Israeli officials.

BACKGROUND REPORT A LEADING CONSERVATIVE DEFENDS ISRAEL'S ACTION ON THE GOLAN By Ben Gallob

NEW YORK, Jan. 25 (JTA) -- Howard Ruff, a widely-followed, strongly conservative investment counselor, has vigorously defended a report he made in his bi-monthly newsletter on a recent Mideast visit in which he asserted Israel would never give up the Golan Heights.

He also wrote that "by transferring the Golan Heights from military to civilian rule, Israel formally ratified a reality which has existed from 1967, giving its inhabitants all the rights of other Israeli citizens."

Reporting on reaction from his readers, whom he has elsewhere described as the "hard-working, responsible citizens who have made the United States the hope of the world," Ruff declared in the January 6 issue of "The Ruff Times" that "it has been some time since I've received as many heated protest letters as I did from the article."

Ruff, who has gained widespread attention for his prediction that the American economy is almost certain to suffer a catastrophic hyperinflation, followed by an equally severe deflation, is a Mormon with no public record of support or hostility to Israel.

He claims 60,000 subscribers for his newsletter, has written three books and appears frequently on television talk shows. He has asserted that his major book, "How To Prosper During the Coming Bad Years," (1979) "is now the biggest best seller on money in the history of American publishing."

Rejects Charge Of Anti-Semitism

Ruff reported he had received letters from Orthodox Jews about his Golan report, calling him anti-Semitic, a description he described as "absurd." He declared he felt such letters had been stimulated by "my comments about the Orthodox Jews of Israel who want to change the citizenship requirements in Israel to admit only Orthodox Jews as citizens."

This presumably was Ruff's understanding of the campaign by Israel's Orthodox rabbinate and political parties, strongly supported by Orthodox Jews in America, to change the Law of Return to reject the Jewish status of would-be immigrants who had been converted to Judaism under non-Orthodox auspices in the diaspora.

He reported also that he had been accused by "rightwing anti-Semites claiming the exact opposite -- that I had given in to the 'Zionist conspiracy'."

Outlines Its Goal

Rejecting all such criticisms, Ruff declared, in his January 6 rebuttal, that his goal had been to give his readers some background about "the forces at work in that important corner of the world, its potential for war or peace, and its impact on precious metal investments." Ruff has continually urged his readers to make regular purchases of gold coins to help them cope with his predicted economic crisis.

He asserted repeatedly, in his rebuttal, that he had made his visit to Israel as an investment advisor, without regard to politics, except as politics affected the prospects for investments related to Middle East developments.

In reiterating his description of a trip along the east side of the Sea of Galilee, bordering the Golan Heights, Ruff wrote that he had tried to explain to his readers why the Golan was so crucial to Israel's security after 19 years of Syrian shelling, before the Six-Day War, of Galilean villages. He wrote that most of the victims had been "women and children innocently going about their daily activities."

He added that Israel had "verified my forecast," made in his initial report, "by annexing the Golan." He added that Israel simply could not exist as a nation "with any degree of security" as long as Syria held the Golan Heights.

Ruff noted that Israel has repeatedly asked Syria for negotiations on the Golan and that Syria "has not only refused, but, in the most inflammatory terms, rejected even the tiny, tentative steps toward a peace accommodation proposed by Saudi Arabia."

Terms U.S. Reaction 'Hypocritical'

He described the reaction by the Reagan Administration and that of many of the media to the Israeli action as "hypocritical. Whether or not you like Israel -- and Israel is sometimes pretty hard to like -- we must recognize the reality of their need to exist as a nation." Ruff repeated that the Israelis "cannot give up the Golan Heights as long as the alternative is for those mountains to be occupied by a state dedicated to their destruction."

Ruff noted that, from the Reagan Administration's viewpoint, "the timing was wrong" and that the Administration was not notified in advance by Israel, "which was embarrassing."

Suggests Rationale For Israel's Golan Move

Turning briefly to political speculation, Ruff declared that the Israelis had "perhaps" taken the Golan action because they know that "they are going to be drawn into some very serious negotiations and are establishing very strong negotiating positions in advance" or "perhaps they have concluded there will be no negotiations and that they will have to be more and more dependent on their own resources."

Ruff said he felt that the Israelis now consider the United States "an undependable ally," which he said was symptomatic of a "bunker mentality."

He emphasized that the principal lesson of his Mideast visit he wanted his readers to understand was that, "other than inflation and monetary irresponsibility" on the part of U.S. government money managers, "the potential for war in the Middle East is the most important single investment factor" which "the hard money investor" must consider.

Ruff concluded that "the Middle East will remain a hot spot," with grave implications for investment decisions, and that "if it isn't Israel, it might be Iran or Egypt or Lebanon."

TEL AVIV (JTA) -- Premier Menachem Begin, who suffered a severe hip injury last November, returned to his office Monday for the first time. He stayed only for the morning but said he planned to put in a full day beginning Tuesday. Begin has attended Knesset sessions in recent weeks in a wheelchair. But he entered his office Monday on his two feet, though aided by an orthopedic walker.

TEL AVIV (JTA) -- A tragedy was averted Sunday when police sappers detonated a bomb before it could cause any damage or casualties near a felafel stand in the Ramot Eshkol quarter of Jerusalem.