

DISPUTE IN CABINET OVER ITS EARLIER DECISION TO SHORE UP SAGGING COMMERCIAL BANK SHARES By Gil Sedan and Hugh Orgel

JERUSALEM, Oct. 12 (JTA) -- Premier Yitzhak Shamir's two-day old coalition Cabinet was embroiled in an internal dispute today over the wisdom of its earlier decision to shore up sagging commercial bank shares in order to protect tens of thousands of investors who stand to lose heavily after the value of the shares collapsed over the weekend.

The decision was taken despite strenuous opposition by Finance Minister Yoram Aridor in the early hours of Tuesday morning. The ministers were fatigued after an all night marathon session dealing with the economic crisis.

They yielded to the arguments of Aguda Israel MK Avraham Shapiro, chairman of the Bank of Israel's advisory board, who, in a dramatic 4 a.m. appearance, insisted that government intervention was in the national interest.

But now leading economists within and outside the Treasury are warning that the measure will defeat attempts to deal with the economic crisis and many ministers who approved it have had second thoughts.

Elements Of The Plan

According to the plan, the bank shares backed by the government would revert to the value they had on October 6, before the latest series of devaluations of the Shekel. They would be linked to the U.S. Dollar and investors who hold them for five years could redeem them at the October 6 price plus three percent annual interest.

Economists warned today that this would mean the payment of 140 billion Shekels to holders of bank shares with serious effects on the wildly inflationary economy.

Demands that the plan be cancelled or modified were heard at a stormy session of the Knesset Finance Committee today and prospects that it will be approved by the Knesset seemed dim. The bank shares collapsed because holders were cashing them in in a pell mell rush to buy Dollars and other foreign currencies when a sharp devaluation of the Shekel appeared imminent.

Trading in bank shares was immediately suspended. The Tel Aviv stock exchange remained closed today for the fourth consecutive day. Exchange sources indicated that trading will not be resumed before next week, by which time, it is hoped, the issue of bank shares will have been settled, one way or the other.

Panic Buying Abates

Meanwhile, yesterday's panic buying has abated. Householders who jammed markets to fill their larders before the 50 percent price hikes decreed by the government took effect, stayed home.

Shelves swept clean in the buying spree were replenished but there were few customers today willing to pay the new prices. Virtually everything from basic food stuffs to gasoline soared in price because the government withdrew or drastically reduced its subsidies for those items.

The rush on foreign currency has also been stemmed. At the new rate of 82.74 Shekels to the U.S. Dollar there were few buyers. But jewellers reported a brisk trade in gold and jewelry. Eighteen carat gold sold today at 1,235 Shekels (\$14.93) per gram. There was also a rush to buy apartments to replace bank stock and foreign currency as an investment.

All imported goods are now priced 23 percent higher than last week, reflecting the 23 percent devaluation of the Shekel. People who had already purchased new cars at the former rate were forced to come up, on average, with an additional 500,000 Shekels before taking delivery.

FRANCO-PLO ACCORD DISCLOSED

By Edwin Eytan

PARIS, Oct. 12 (JTA) -- France and the Palestine Liberation Organization last year concluded an agreement providing for their cooperation in preventing terrorist attacks on French territory, according to the usually well informed French weekly, *Le Canard Enchaîné*. The agreement was concluded last October by PLO chief Yasir Arafat and French intelligence chief Pierre Marion during a meeting in Arafat's headquarters near Tunis, the weekly reported.

According to the paper, the agreement was approved by President Francois Mitterrand but most French Cabinet ministers were not informed of its existence.

The accord was concluded at a time when the PLO was in deep trouble and had already evacuated Beirut. The Palestinians promised to help the French prevent attacks on their territory by terrorist gangs lead by Abu Nidal, the Amnenian Secret Army and other extremist groups.

Le Canard Enchaîné implied that the PLO was grateful for France's help during Israel's siege of Beirut. France helped at the time to obtain an evacuation agreement for Palestinian fighters and French warships even escorted the Greek vessel on which Arafat left Beirut for Athens.

U.S. DENIES IT HAS 'SECRET DEAL' WITH SYRIA IN WHICH SYRIANS WOULD KEEP THE PLO OUT OF THE SHOUF AREA
By David Friedman

WASHINGTON, Oct. 12 (JTA) -- The State Department denied today that there was any "secret deal" between the U.S. and Syria in which the Syrians would keep the Palestine Liberation Organization out of the Shouf mountains in Lebanon.

But State Department spokesman John Hughes indicated that the U.S. would not be displeased if the Syrians were able to accomplish this. "Obviously, we favor the removal of the PLO from Lebanon by any means that can be achieved, as we favor the departure of the Syrians and Israelis," he said.

The reported deal, according to a syndicated column by Rowland Evans and Robert Novak published in the Washington Post today, would be aimed at a Syrian guarantee of Israel's northern borders. However, the Syrian drive now to push out the PLO is seen here as part of the effort by President Hafez Assad to gain control over Yasir Arafat's forces.

Hughes' remarks were made after he labeled "incorrect" the Evans and Novak column which said Secretary of State George Shultz was trying to "undercut"

the U.S.-Syrian deal in a dispute with National Security Adviser William Clark.

The column claimed that Shultz considered both Clark and his deputy, Robert McFarlane, who is President Reagan's special envoy in Lebanon, as being "pro-Arab" and that Shultz had made a "public outburst" about Clark's trip to Rome October 1 to confer with McFarlane.

Hughes said that Shultz had never discussed his feelings about Clark's trip with anyone, publicly or privately. He said the Secretary viewed the Evans and Novak column today with "sorrow" rather than anger because he saw it as another example of a "factually incorrect and gossipy column" which helps to "sow the seeds" of "discord" within the Administration.

Cites 'Total Coordination' On Mideast Policy

The State Department spokesman noted that McFarlane "worked closely" with the State Department and was in daily telephone contact with Department officials. Shultz and President Reagan are in "total coordination" on the Middle East policy, Hughes stressed.

He noted that the U.S. has pointed out that Syria has "interests" in Lebanon but it was being "unhelpful" in the current situation there. He also pointed to Reagan's radio address last Saturday which strongly attacked Syria for receiving large arms supplies from the Soviet Union and for refusing to withdraw from Lebanon after it had promised to do so once Israel agreed to leave.

PRESSURE MOUNTING IN THE CABINET TO DUMP ARIDOR

By Gil Sedan

JERUSALEM, Oct. 12 (JTA) — Pressure is mounting in the new Cabinet to dump Finance Minister Yoram Aridor. But Premier Yitzhak Shamir has no intention of changing the personnel of his government at this time, sources close to Shamir said. They did not rule out changes at some later date "after the stability of the coalition is assured."

Aridor's policies are widely blamed for the current economic crisis and there is rising feeling among the Herut leadership that his replacement is a political "must."

But media reports that senior members of Herut were negotiating with former Defense Minister Ezer Weizman to return to government brought an angry outcry from the coalition's far-right which has an aversion to Weizman because of his role in negotiating the Camp David accords and the peace treaty with Egypt.

According to the reports, some senior Herut leaders envision Weizman taking over as Finance Minister while Aridor would be named Foreign Minister, the portfolio presently retained by Shamir. None of the parties concerned have confirmed these reports but Weizman was said to have told friends that if Shamir invited him to participate in an "office of national mission" he would not refuse.

Spokesmen for the ultra-nationalist Tehiya party reacted with threats to quit the Likud coalition if Weizman is brought into the Cabinet. They accused the former defense chief of yielding concessions to the late President Anwar Sadat of Egypt — the return of Sinai — and suggested that he was just as likely to make concessions to King Hussein of Jordan on the West Bank. Another rightwing MK, Haim Druckman, a one-man faction, said he would also oppose the entry of Weizman into the new government.

REPORT ON NICARAGUA FINDS ANTI-ISRAEL TENDENCY BUT NOT ANTI-SEMITISM

PANAMA CITY, Oct. 12 (JTA) — In a report to the World Jewish Congress on his visit to Managua, Nicaragua, a prominent Latin American Jewish intellectual found "definite anti-Israel tendencies" in the country but did not observe "any anti-Semitic activity."

Rabbi Heszel Klepfisz of Panama City, winner of the 1981 prize for Jewish intellectual merit presented by the Latin American branch of the WJC, spent four days in Managua late last month.

He had been invited by the international congress of members of Catholic religious orders to lecture on the subject of social justice in the Jewish tradition and had used the occasion to become acquainted with the Jewish situation.

In his report to the WJC, Klepfisz noted that there were currently three Jewish families living in Managua, the rest having left for other countries, although some of them still maintain businesses in Nicaragua and come on frequent visits. "Only the businesses and houses of those who had commercial relations with the dictator Somoza were confiscated," he said.

Status Of The Synagogue Building

The synagogue building in Managua, according to the report, is in the hands of the government which moved a Sandinista youth organization into it. Klepfisz noted that the Jewish community had moved the holy scrolls to Miami some years earlier, during the street fighting.

He reported that representatives of the government had authorized him to inform the Jewish community that the government is prepared to return the building so that the synagogue and religious services can be reinaugurated. Senior members of the Sandinista government offered to participate in the inauguration.

Klepfisz relayed the governmental message to the few Jews living in Nicaragua, to which the reply was: "Do you really think it's worthwhile to keep up a synagogue for three families?"

Rationale For Anti-Israel Tendencies

Reporting that he had not observed any anti-Semitic activity in the country, Klepfisz added that both the government and the human rights committee operating there on behalf of the United Nations assured him that "there is no anti-Semitism in Nicaragua."

He pointed out, however, that from private conversations and from the media he found "definite anti-Israel tendencies which were repeatedly justified by Israeli arms sales to Somoza and Israel's friendly relations with El Salvador and Honduras." He confirmed that there is a PLO office functioning in Managua.

Klepfisz was born in Poland in 1912, obtained his rabbinical ordination in Warsaw in 1930, his Ph.D. at the University of Warsaw in 1934 and his Lit. D. in Zurich in 1936. Prior to settling in Panama in 1961, he served as a rabbi in Warsaw and in The Netherlands, was a professor at the Glasgow Hebrew College and at the Miami Jewish College. He was the head of Panama's Albert Einstein School from 1961-1978 and a professor at the University of Panama from 1963-1978.

SPECIAL TO THE JTA CARDINAL COOKE, THE JEWS AND ISRAEL

By Marc Tanenbaum

NEW YORK, Oct. 12 (JTA) -- The nation's press, particularly the press in New York, has been lavish in its coverage of the life and death of Terence Cardinal Cooke, the late Archbishop of New York. But if one read that press carefully, especially The New York Times, one would never know that Cooke had a long and fruitful relationship with leaders of the Jewish community.

I first met this warm, cheerful prelate when he was Msgr. Cooke serving as personal secretary to the late Francis Cardinal Spellman. Most people are unaware that Spellman played a key role in helping mobilize support among the American Catholic bishops during Vatican Council II (1962-65) for the Vatican Declaration on Catholic-Jewish relations that condemned anti-Semitism and called for mutual respect between Catholics and Jews.

During that period, Msgr. Cooke frequently served as liaison between Spellman and myself, as well as with American Jewish Committee leaders Charles Silver, a close friend of the Cardinal, Judge Joseph Proskauer, and Morris Abram. It was then that Msgr. Cooke received his "on-the-job" training in Catholic-Jewish relations.

Repudiated Anti-Semitism

On his designation as Archbishop of New York, the AJC sponsored a luncheon in his honor on April 30, 1968, attended by prominent Catholic and Jewish leaders. In his "maiden" address on Catholic-Jewish relations, Cooke spoke of his commitment to "heightened respect, sympathy and affection" between Catholics and Jews. He then went on to repudiate anti-Semitism in these words:

"In these years following the Second Vatican Council, we Roman Catholics are more than ever convinced that anti-Semitism should never find a basis in the Catholic religion and must never find a place in any Catholic's life. ... We Catholic people are anxious to salute our Jewish brothers anew. Conscious of our common heritage of salvation in the covenant between God and Abraham and his descendants, we pledge ourselves to continue fostering stronger and more extensive bonds of mutual respect, concern and cooperation."

Cooke then encouraged cooperation between Catholics and Jews in social justice areas:

"The pursuit of justice in civil rights and the resolution of our serious urban problems are surely areas in which our cooperation can bear rich fruit. Our opportunities are extraordinary here in New York -- a great Jewish city and a great Christian city I pray today and every day that together we shall seize the opportunities afforded now and serve the needs of our people more effectively than ever before."

Supports Historic Relationship Of Jews to Israel

In November, 1968, at a United Jewish Appeal dinner honoring his close friend, Charles Silver -- who conducted the famed Al Smith dinner for Catholic charities -- Cooke made warm and positive statements supporting the historic relationship of the Jewish people to Israel. Subsequently, he lent his name to petitions supporting the human rights of Soviet Jewry.

During the late 1970's and early 1980's, Cooke attended Sabbath services and spoke from the pulpits of several leading New York synagogues. Reciprocally, rabbis were invited to speak from the pulpit of St. Patrick's Cathedral.

On the problematic side, some Jewish leaders differed publicly with the Cardinal on such issues as abortion and aid to private schools, but there was cooperation with him on the condemnation of drugs, pornography, abuse of sex and violence in the media, and related public morality issues.

Abhorrence Of Violence

Some anxiety did develop in the Jewish community when Cooke became president of the Near East Catholic Welfare Council, whose professionals were one-sidedly allied with Palestinians and other Arabs to the exclusion of any sympathy for victimized Jewish refugees in Israel and in Arab countries. But the Cardinal trod a careful middle ground in upholding the legitimate social welfare needs of Arabs while not retreating from his moral support of Israel.

His abhorrence of violence, made public in his condemnation of terrorism in Ireland, carried over to his disdain for PLO terrorism and violence, as he told me on more than one occasion.

His keen sensitivity to the state of the Jewish soul was perhaps not dramatically reflected when he and I collaborated on world refugee problems, particularly the Vietnamese "boat people" tragedy. At a press conference held at St. Patrick's Cathedral in 1980, Cooke explained his motivation for responding to the Indochinese refugee crisis in these moving words:

"Our generation witnessed the savagery of the Nazi Holocaust which led to the destruction of millions of Jewish lives. To our eternal shame, most of the world stood by while human beings were being destroyed. We are now trying to learn our moral lessons from that tragedy, and that is why we -- Christians and Jews together -- are joining hands to stand against the evil which is afflicting these poor Vietnamese refugees."

JUMBLATT SAYS HE WILL NOT ATTEND RECONCILIATION TALKS SET FOR OCT. 20

PARIS, Oct. 12 (JTA) -- President Amin Gemayel of Lebanon today set October 20 as the date for the national reconciliation talks but Druze leader Walid Jumblatt, on a visit to Paris, stressed that he will not attend.

Beirut Radio monitored in Paris said a preparatory committee will meet tomorrow at the Lebanese Health Ministry, on the green line which separates east and west Beirut, to set the way for the actual talks intended to resolve eight years of civil war.

Jumblatt, one of the heads of the anti-Gemayel opposition front, conferred here today with Foreign Minister Claude Cheysson and various Lebanese political leaders in exile. Yesterday, after a meeting with Swedish Premier Olof Palme, he announced that he will not attend the reconciliation talks unless Gemayel gives concrete assurances that he intends to respect Druze rights in the Shouf mountains.

French sources say that in spite of Cheysson's urging to recognize the legitimacy of the central Beirut government, Jumblatt remained adamant in his opposition.

CONFERENCE ON JEWISH RESISTANCE TO NAZIS SEEKS TO CORRECT CONCEPT OF JEWISH PASSIVITY DURING HOLOCAUST

By David Landau

JERUSALEM, Oct. 12 (JTA) -- A five-day international conference on Jewish resistance to the Nazis was a notable success here last week. Jewish partisans and soldiers in the Allied armies gathered from around the world to meet former comrades-in-arms from Israel and attempt to correct what they believe is a distorted "sheep to the slaughter" concept of Jewish passivity during the Holocaust.

Conference participants estimated that some 50,000 Jews fought as partisans in occupied Europe, some in purely Jewish groups, others in broader underground frameworks.

"I will remember to my dying day," said Labor Alignment-Mapan MK Chaika Grossman, "the startled shout of an SS man in the Bialystok Ghetto: 'The Jews are fighting'." In Bialystok, 300 young Jews, poorly armed, attempted to rush the perimeter fence and open an escape route for their trapped brethren. Grossman was a leader of the Bialystok Ghetto uprising.

Stefan Grayek of Tel Aviv, a leader of an organization of former partisans now living in Israel, said of the Warsaw Ghetto uprising, "Once the fight for our self-respect began, it was easier to die."

Other speakers dwelt on heroism of another kind: the maintenance of human and communal values in the ghettos and in the camps. "This revealed great internal strength," said Sara Stern-Katan, a former National Religious Party MK who survived the Holocaust.

1.4 Million Jews Were In The Allied Armies

British historian and biographer Martin Gilbert noted that some 1.4 million Jews were enlisted in the various Allied armies. The Polish army alone contained 140,000 Jews, of whom 6,000 were killed in the initial Nazi blitzkrieg. There were some half-million Jews in the U.S. army, according to Gilbert, and a similar number in the Soviet armed forces. Some 60,000 Jews fought in the British army and another 90,000 in Commonwealth armies.

President Reagan, in a message to the gathering read by U.S. Ambassador Samuel Lewis, wrote: "... It is ennobling to remember that even this inefable darkness was pierced by rays of light as courageous men and women from many parts of the world chose to resist such inhuman tyranny and the enormity of the Holocaust. In doing so, they set standards of valor which still hearten free people everywhere."

The conference was marred by the non-participation of former U.S. Supreme Court Justice and UN Ambassador Arthur Goldberg who was to have delivered the keynote address. The organizers had booked the 73-year-old jurist to fly tourist class to Israel. El Al in New York refused to allow Goldberg to pay the difference to upgrade his ticket to first class. He did not make the flight.

Goldberg told Haaretz from his home in Illinois that he was pained at not having been able to attend the gathering and deliver his address. He said he had knee joint trouble and could not sit in the cramped tourist section on long flights. But he said he bore no grudge and would continue to use his best efforts on Israel's behalf.

Another keynote speaker, Yitzhak Shamir, then still Premier-designate, stressed as his theme the ex-

istence of modern day Israel which was the guarantee, he said, that Jews would never be placed in the situation they were in during the Holocaust.

USSR TO BE PUT ON 'TRIAL' FOR VIOLATING ITS OWN LAWS BY PERSECUTING JEWISH CULTURE

By Gil Sedan

JERUSALEM, Oct. 12 (JTA) -- The Soviet Union will be put on public "trial" at a European capital yet to be named, for "violations" of its own laws by the persistent persecution of Jewish culture and the Hebrew language, it was learned here today. An international commission, headed by former Israeli Attorney General Gideon Hausner, will assemble the evidence.

The commission was formed some time ago. Its membership and mission were disclosed when it was learned that the Soviets are going ahead with the trial of Isosif Begun, a 55-year-old Jewish engineer and an unofficial teacher of Hebrew in Moscow who faces a maximum sentence of 12 years' imprisonment for alleged anti-Soviet activities.

According to a Tass report, the trial began today at Vladimir, 200 kilometers from Moscow. Earlier reports said the trial was scheduled to open tomorrow. Begun's wife and his son Boris were reportedly on their way to Vladimir from Moscow in the hope of being admitted to the court.

Begun has already served prison sentences for Zionist activities. He was arrested in November, 1982 and held in solitary confinement pending trial. He has reportedly said he intends to use his trial as a forum on the "persecution of Jewish culture in the USSR."

In addition to Hausner, the man who prosecuted Adolf Eichmann, the international commission consists of Telford Taylor, the American prosecutor at the Nuremberg war crimes trial; Prof. Alan Dershowitz of the Harvard Law School; Rita Hauser, former head of the U.S. delegation to the United Nations Commission on Human Rights; and Arthur Goldberg, a former Justice of the U.S. Supreme Court and former U.S. Ambassador to the UN.

52 SOLONS PRESSURE EGYPT TO RETURN ITS AMBASSADOR TO ISRAEL

WASHINGTON, Oct. 12 (JTA) -- A group of 52 Senators led by Sen. Howard Metzenbaum (D. Ohio) has intensified pressure on Egypt to return its Ambassador to Israel. In a letter sent yesterday to President Hosni Mubarak of Egypt, the bipartisan group of solons expressed extreme concern "about the apparent reluctance of your government to restore political and diplomatic dialogue by returning your Ambassador to Israel."

The Senators recalled that last June, a month after Israel signed an agreement with Lebanon to withdraw its forces if other foreign forces were also withdrawn, Mubarak told members of Congress that the Egyptian envoy would soon be sent back. "That step has not been taken," the Senators wrote.

When Mubarak visited Washington a week ago, legislators also pressed the issue of the Ambassador. The Egyptian leader made it clear, in his talks with the Congressmen and with President Reagan that he needed a good reason to return the Ambassador or he would face serious domestic political opposition. He did not indicate when the envoy would be returned.