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**ARIDOR RESIGNS AS FINANCE MINISTER  
HOURS AFTER FLOATING A PLAN TO LINK  
THE SHEKEL EXCLUSIVELY TO THE U.S. \$**  
By David Landau, Gil Sedan and Hugh Orgel

JERUSALEM, Oct. 13 (JTA) — Finance Minister Yoram Aridor resigned from the Cabinet today in the midst of Israel's worst economic crisis and furious controversy over a plan he had just announced that would link Israel's faltering currency exclusively to the U.S. Dollar.

Aridor emerged from a specially convened Cabinet meeting minutes after it began at 6 p.m. local time to tell reporters that he had tendered his resignation. His term in office was the shortest on record. He left only three days after being sworn in as a member of Premier Yitzhak Shamir's new government. He had served as Finance Minister in the previous government headed by Premier Menachem Begin.

Aridor defended his so-called "Dollarization" plan which was disclosed only this morning in Yediot Achronot and later confirmed by him in a noontime radio interview. He conceded, however, that under the present circumstances he could not contribute toward its implementation or to any of the economic reforms currently under consideration.

Aridor's departure came as no surprise. His policies had been under severe criticism from Cabinet colleagues as well as the political opposition for some time. Members of Likud's Liberal Party wing reportedly told Shamir that either Aridor went or they would leave his coalition.

**Last Desperate Attempt**

His "Dollarization" plan was seen by many as a last desperate attempt to remain in office. Its basic premise was that the U.S. Dollar or its Shekel equivalent would become the official currency of Israel. All transactions, salaries, prices and the national budget itself would be calculated in Dollar terms. As Aridor had explained it, this would do away with the prevailing index system that links wages to the cost-of-living index and would eliminate Israel's triple digit inflation.

Initial reactions to the plan indicated that it has little chance of acceptance by the government or the Knesset. Informed sources said today that Shamir violently rejected the plan after reading about it in Yediot Achronot. The sources said Shamir knew nothing of the details of the proposal beforehand. He found them unacceptable on grounds that the "Dollarization" of Israel's currency would gravely limit the country's sovereign policy-making powers.

Aridor said, however, that he had divulged his plan to Shamir and to former Premier Menachem Begin but he did not say that either or both of them endorsed it. Sources here expressed doubt that Aridor had aired his ideas at meetings with top U.S. officials.

But Finance Ministry sources told Yediot Achronot that he had in fact discussed the plan with the American Administration during his recent visit to Washington and that their reactions had been favorable. Aridor cut short his visit because of the economic crisis but the Director General of the Finance Ministry, Ezra Sadan, flew back to Washington today for further talks.

According to the Yediot Achronot account, the plan would involve close cooperation between the Bank of Israel and the U.S. Federal Reserve Bank. U.S. currency would be acceptable, along with the Dollar-based Shekel for all purchases and business transactions in Israel. Aridor was said to expect the Americans to cooperate on grounds that they want to see a strong Israeli economy.

But the Finance Minister and the sources who leaked his plan to Yediot Achronot admitted that the "Dollarization" scheme would cause a rise in unemployment, at least in the short-run. They predicted that the figure would go up to seven percent from the current 4-5 percent. Critics of the plan said unemployment would rise much higher.

It was noted here that such close currency relationships with the U.S. exist in only two other countries — Liberia and Panama — which historically have been interlocked with the U.S. economy. Histadrut Secretary General Yeruham Meshel said he didn't object in principle if Israeli workers earned wages linked to the Dollar. "But our currency has dignity and national value," he observed.

**Widespread Criticism**

The opposition Mapam Party charged that the plan exposed the Likud government's total bankruptcy and would make Israel every more dependent upon the U.S. Economist Eitan Berglass, former chief of the Treasury's budgets division, echoed the warning of high unemployment. The Hadash (Communist) Knesset faction proposed a motion of no confidence in the government.

But Shlomo Lorincz of Aguda Israel, who is chairman of the Knesset's Finance Committee, suggested that the Aridor plan would give the public a sense of security. On the other hand, Labor MK Gad Yaacobi, chairman of the Knesset's Economic Committee, called the plan a "caricature of an economic policy."

Other critics from opposition and academic circles called the plan a "cosmetic" change of no intrinsic economic value. Critics within Shamir's coalition denounced it on nationalistic grounds.

Energy Minister Yitzhak Mordechai and MK Geula Cohen of the rightwing Tehiya Party called it a shameful compromise of national pride and dignity. "It's like changing the flag or the anthem," said Mordechai, a political foe of Aridor. "Israel should put Abraham Lincoln on its currency instead of Herzl," Cohen suggested bitterly.

**A Three-Stage Plan**

Aridor explained that the process he proposed would be the third stage of an overall economic reform which the Treasury has been preparing for the past six months. The first stage, implemented a day after the Shamir government took office, was the 23 percent devaluation of the Shekel and the removal or reduction of government subsidies for basic food products and fuel which sent prices soaring by an average of 50 percent.

The third stage calls for trimming \$2 billion from the national budget. Aridor said if this is done, the budget would be balanced and the government would

stop printing new money. He warned that if the first three stages are not implemented in toto, his "Dollarization" proposal would have little effect.

Political observers immediately pointed out that Aridor's demand to pare the budget by \$1 billion ran into heavy opposition from the coalition partners in the former government headed by Menachem Begin. They said there was little chance that the new coalition, composed of the same partners, would react differently to a \$2 billion cut. Aridor refused to predict today whether the Cabinet would back his plan.

#### Public Is Totally Confused

Meanwhile, Israelis trying to cope with soaring prices, devalued currency and the collapse of bank shares, seemed to be totally confused by the latest proposal and were in a state of suspense over the government's next moves. The directors of the Tel Aviv stock exchange, which suspended operations last Sunday, announced today that the exchange will not re-open this Sunday as originally planned.

The exchange was closed to halt trading in bank shares and other stocks until the economic situation stabilized. The government is considering a plan to shore up bank shares which plummeted in value last week because holders were cashing them in to buy Dollars and other foreign currency in anticipation of a weaker Shekel.

The new plan would link bank shares to the Dollar with government backing. It is intended to save tens of thousands of investors from heavy losses and avert a wave of bankruptcies by businesses that had used their bank holdings as collateral for loans.

The monthly cost-of-living index for September will be published at noon tomorrow. The stock exchange managers want to give investors time to study the figures. All buy or sell orders previously placed with brokers have been cancelled. Several brokerage houses closed and furloughed their employees until the stock exchange reopens.

Jewellers continued to report a brisk trade in gold and other jewellery by customers loaded with cash after selling their bank shares. With the Shekel now pegged at 82.74 to the Dollar, gold is preferred to Dollars.

#### ISRAEL'S INFLATION RATE REPORTED AS THE THIRD HIGHEST IN THE WORLD

GENEVA, Oct. 13 (JTA) -- Israel has the highest inflation of any Western nation and stands as number three of countries around the world that are suffering from astronomical inflation, according to a study published here by the International Labor Organization.

Bolivia is first on the list, with a record high of 296.5 percent inflation rate. Argentina is second, with an inflation rate of 209.7 percent, followed by Israel with a 131.3 percent inflation rate. (The study was completed before the current economic crisis in Israel where inflation is expected to soar to an annual rate of 160-170 percent this year.)

Among the countries listed in the study, Japan has the lowest inflation rate at 1.8 percent.

#### TEXTILE MILLS FACE SHUTDOWN UNLESS IT RECEIVES A \$10 M GOVERNMENT GRANT By Hugel Orgel

TEL AVIV, Oct. 13 (JTA) -- The Ata textile mills, which employ over 3,000 people in Haifa and other parts of northern Israel, has asked the government to bail it out of its current financial

difficulties. David Arbell, general manager, told the Haifa Labor Council yesterday that unless Ata receives a \$10 million grant from the government it will be forced to shut down.

According to Arbell, shareholders are ready to invest another \$4 million to keep the plants going, but only if government aid is forthcoming. The prospect that one of the country's largest private industries might go out of business sent shock waves through the labor market. Anxiety was registered in several new development towns in Galilee where much of the local work force is employed by Ata.

The company has been hard hit by foreign competition and the recent devaluations of the Shekel which have increased its Dollar loan debt by 30 percent. Ata workers have still not received their last month's wages.

The management has blamed the influx of European imports, encouraged by Israel's arrangements with the European Common Market. Israel's textile exports have also suffered. One of the company's major foreign customers, the Marks and Spencers department store chain in Britain, warned a year ago that it would give Ata two years to bring the quality of its products up to the standards of European and other competitors.

#### UN UNIT APPROVES ISRAEL'S CREDENTIALS

By Yitzhak Rabi

UNITED NATIONS, Oct. 13 (JTA) -- The Credentials Committee recommended last night that the General Assembly accept the formal credentials of Israel as well as other 119 member-states to the 38th session of the Assembly. The recommendation of the nine-member Credentials Committee will be voted on by the General Assembly next week. Sources here said today that they do not rule out an Arab attempt to challenge Israel's credentials when the issue comes up for a vote.

Meanwhile, in another development here today, Secretary General Javier Perez de Cuellar recommended that the mandate of the United Nations Interim Force in Lebanon be extended for another six months when the current mandate expires on October 19.

#### RIVLIN: MORE SETTLEMENT IN GALILEE, NEGEV IS KEY TO ISRAEL'S FUTURE

NEW YORK, Oct. 13 (JTA) -- The urgent need to provide suitable land for increased Jewish settlement in the Galilee and the Negev was stressed by Jewish National Fund world chairman Moshe Rivlin in recent meetings here with Zionist leaders, journalists, and members of the JNF's National Leadership Council.

Rivlin, who was in the U.S. on a JNF informational and fund-raising tour, said that despite the new Israeli government's emphasis on belt-tightening and budget cuts, the priorities of land reclamation and settlement-site preparation must be maintained to guarantee that "Israel will have a future." He cited three major areas of JNF concern and action in the months ahead:

\* JNF must answer the "cry of the desert" with intensified afforestation efforts to complete a green belt extending far into Israel's south and delineating the Negev with the "green gift of new life." Rivlin said that 20 million trees have been planted in the Negev, and forests such as Lahav and Yatir have been created there.

\* In the Galilee, he said, JNF must push ahead with its program of settlement-site preparation, paving the way for Israel's newest pioneers on the land at a series of settlement outposts that will anchor the Jewish presence there.

"The establishment of each new village helps insure that the Galilee, which is so vital to Israel's security, will remain an integral part of the state of Israel," Rivlin said. He pointed out that "wherever trees are planted in Galilee, there are no illegal squatters or unauthorized grazing. The land is safeguarded."

In Galilee, JNF is helping to convince Arab residents that afforestation is of mutual interest and enhances life for all communities in Israel. JNF, Rivlin explained, is also continuing with the development of three Galilee industrial regions -- Segev, Zalmon and Tefen. All of these activities contribute to the increase of the Jewish population.

\* Rivlin said that JNF's work in providing tourist facilities near Eilat, at Timna Park, on the Mediterranean coast, and in Galilee will continue apace. New parklands, beach fronts, recreation areas, camp grounds, and other assets will be developed to make Israel an attractive and welcome resort for visitors from abroad and for domestic tourism.

#### WOLF PRIZE WINNER IS NOBEL WINNER

TEL AVIV, Oct. 13 (JTA) -- Dr. Barbara McClintock, the winner of the 1983 Nobel Prize for medicine, was the recipient of the Israeli Wolf Foundation Prize in 1981. The 81-year-old biologist from Cold Spring Harbor, Long Island, New York, received the \$100,000 Wolf Award for her discovery that genes can move from one spot to another on the chromosomes of a plant and change the future generations of plants it produces. This discovery also led to her winning the Nobel Prize.

#### REFUSENIK KIDS WRITE REAGAN TO HELP THEM REACH ISRAEL

NEW YORK, Oct. 13 (JTA) -- It has been three months since 11-year-old Samantha Smith of Maine visited the Soviet Union at the invitation of Soviet leader Yuri Andropov after having written to him, but her trip continues to fire the imagination of children whose families remain trapped in the USSR.

On October 9, according to the Student Struggle for Soviet Jewry (SSSJ), 9-year-old Mikhail Kondrashin and his 10-year-old sister Kira of Moscow mailed a letter to President Reagan asking to be invited to meet him in the White House and seeking his aid to emigrate to Israel where they could freely speak Hebrew and celebrate the Sabbath. "We also want to visit America so we can see Walt Disney cartoons," they added.

Mikhail, Kira and their mother Inna Brokhina have been refused exit since 1979.

This is the third known letter by children sent in the wake of the Samantha Smith episode, the SSSJ said. In May, 9-year-old Avi Goldstein of Tbilisi wrote to Samantha, asking her to deliver a message directly to Andropov for the freedom of his family, who had been refused emigration to Israel even prior to his birth. Samantha never saw Andropov during her trip.

In June, 12-year-old Irina Tamopolsky of Kharkov wrote to Andropov to defend her father who was about to stand trial for "anti-Soviet slander" after watching a Soviet TV interview with Samantha. There was no response, and her father was sentenced to three years.

#### FRANCE WANTS TO EXPAND ITS ECONOMIC, INDUSTRIAL COOPERATION WITH ISRAEL By Edwin Eytan

PARIS, Oct. 13 (JTA) -- France is interested in expanding its industrial and economic cooperation with Israel and wants to pursue a policy of joint projects in technical and scientific fields. The French Minister for Industry, Laurent Fabius, stressed at a joint study group meeting here yesterday that the government is giving priority to such projects.

Fabius' declaration was read before the 200 assembled French and Israeli businessmen, bankers and technicians by one of his aides. The Minister was meeting with President Francois Mitterrand at the time.

Israel's new Ambassador to France, Ovadia Soffer, also stressed the complementary nature of French and Israeli societies. He stressed Israel's high level of technical and scientific development which, he said, could benefit its West European partners. Senate President Alain Poher also called for increased cooperation between the two countries which, he said, could benefit both.

The study group was organized by a French economic publication. The participants concentrated on preparing concrete projects in the electronic and medical fields.

#### B'NAI B'RITH, WORLD JEWISH CONGRESS TO JOINTLY MONITOR UN IN GENEVA

WASHINGTON, Oct. 13 (JTA) -- B'nai B'rith International and the World Jewish Congress announced that they have agreed to operate jointly a non-governmental organization (NGO) office in Geneva to monitor United Nations programs directed from that city. Geneva is the headquarters for the UN's handling of such issues as human rights, refugees and the International Labor Organization.

B'nai B'rith president Gerald Kraft and WJC president Edgar Bronfman said in a joint statement that the two organizations believe they "will be contributing an important service" by maintaining close scrutiny over the UN's activities, including UN-sponsored conferences, emanating from Geneva.

"Our primary concern is for the United Nations to live up to its charter as an organization for peace, not for divisive politicization," the two Jewish leaders said. "We are concerned about attempts to delegitimize the State of Israel as a veiled attack on Israel, Jews, and democracies throughout the world."

The two Jewish leaders said that the jointly sponsored office, which has been run by the WJC alone for many years, will work in cooperation with both their constituents and the world's democratic governments. Materials from Geneva will be developed for the publication by the International Council of B'nai B'rith and the executive committee of the WJC.

The office will be directed by Daniel Lack of Great Britain, who has represented the WJC in Geneva since 1975. Lack, a graduate of Oxford University, is an attorney. Prior to joining the staff of the WJC, he served as legal advisor to the American Jewish Joint Distribution Committee for 17 years.

"We are looking forward to a strong and effective partnership that will benefit the entire world Jewish community," Kraft and Bronfman said.

# ACTIVITIES OF MAJOR RIGHTWING EXTREMISTS IN THE U.S. DETAILED IN HANDBOOK ISSUED BY THE ADL

LOS ANGELES, Oct. 13 (JTA) -- A handbook detailing the activities and backgrounds of major rightwing extremists in America -- 23 organizations and 48 individuals -- was made public today by the Anti-Defamation League of B'nai B'rith.

The 175-page comprehensive guide, listing those who attack democratic freedoms and advocate anti-Semitic or racist policies, includes the violence-prone Posse Comitatus, the Ku Klux Klan and American Nazi groups. Entitled "Extremism on the Right," it was presented at a session of the ADL's national executive committee meeting here.

Justin Finger, director of the ADL's civil rights division, told some 200 Jewish community leaders attending the meeting, which began today and concludes Sunday, that the guidebook is based on several decades of ADL's monitoring, exposing and countering these groups. He said that many of the groups and individuals listed have close ideological or organizational links with each other.

"The threat from extremists, which represent only a fraction of our society, lies not in their numbers but in their inflammatory propaganda and their potential for inciting and perpetrating violence," Finger said.

## Some Of The Extremist Organizations

Organizations listed and described in the handbook include:

\* Posse Comitatus, which is composed of loosely affiliated bands of armed vigilantes, achieved national prominence when one of its members was indicted for killing two U.S. marshals last February and was later killed himself in a shoot-out with police. Through publications and radio broadcasts, Posse members disseminate virulent anti-Semitic and racist propaganda, and denounce the U.S. government.

\* The Ku Klux Klan, embracing three major factions as well as smaller, splinter groups, is the oldest and largest of violent U.S. rightwing extremist groups. Its membership is estimated at 8,000 to 10,000. Members of the Klan have operated paramilitary training camps in various locations across the nation. Klan groups continue to engage in rallies, cross-burnings and in the outpouring of hate literature against Blacks, Jews and immigrant groups.

\* Liberty Lobby, which describes itself as a "pressure group for patriotism," is the best financed anti-Semitic organization in the United States. The organization's weekly newspaper, The Spotlight, with a claimed circulation of 247,000, is the most widely read rightwing extremist newspaper in the country. Spotlight attempts to project an image of conservative respectability, but the paper's recurrent themes reveal Spotlight's true targets of bigotry and hate -- "Zionism," "Israel's American supporters," "dual loyalists," "International Bankers" and other code words for Jews.

\* National Caucus of Labor Committees (NCLC) is a quasi political propaganda network founded and run by Lyndon LaRouche Jr., a one-time member of the Trotskyist Socialist Workers Party. Originally a far-left group with a Marxist ideology, NCLC has since lurched far to the right, although it still reflects a positive attitude toward the Soviet Union and its policies.

In 1980, LaRouche sought the Democratic presidential nomination and entered 15 state primaries, garnering 185,000 votes. This sparked a number of NCLC-member local candidacies around the nation.

NCLC publications single out prominent Jews, Jewish families and Jewish organizations for abuse, and attack Israel and Zionism. NCLC front groups include the Fusion Energy Foundation, the National Anti-Drug Coalition, and the Humanist Academy; its publications include New Solidarity and Executive Intelligence Review.

\* Institute for Historical Review has been the primary force in the movement to deny the reality of the Holocaust. Operating under the guise of responsible scholarship, the Institute has solicited membership from the ranks of academia and from the public. Its "revisionist" materials are replete with anti-Semitic themes and it claims the Holocaust is "atrocity propaganda."

\* Aryan Nations, one of the most virulent of American hate groups, advocates racism and anti-Semitism and has declared as its ultimate aim the establishment of a "national racist state," by violent means if necessary. A newsletter published by the group in 1982 declared that "just as our forefathers purchased their freedom in blood so must we .... We will have to kill the bastards." Aryan Nations has links to the German neo-Nazi leader Manfred Roeder, and to the Ku Klux Klan and other extremist groups.

\* The Christian Patriots Defense League is one of several "survivalist" groups which are involved in paramilitary training. Purveying racism and anti-Semitism, the group's membership application form states "the very survival of the Caucasian race is at stake."

\* The Covenant, the Sword and the Arm of the Lord, a paramilitary survivalist group, operates a "Christian" communal settlement in rural Missouri, and advocates preparation for the "ultimate Holocaust." One of its leaders, Kerry Noble, has declared, "We do believe that nonwhites and Jews are a threat to our Christian, white race" and that "Jews are financing the training of blacks to take over most of our major cities."

\* New Order/ National Socialist White People's Party, the current name of the original neo-Nazi organization in the United States founded by George Lincoln Rockwell, is the largest and oldest (founded 1959) of seven neo-Nazi groups listed in the handbook. Preaching Hitlerian philosophy and often brandishing swastikas and other Nazi regalia, members of the neo-Nazi parties have been involved in acts of violence against Jews, Blacks and other minority groups.

\* Identity Churches, a pseudo Christian movement that preaches hatred and violence against Jews, Blacks and other minorities, embraces many separate "church" groups and provides a common ideological thread for several organized hate groups -- including the Posse and the Klan. The "churches" assert that Anglo-Saxons, not Jews, are the "true Israel" and God's chosen people. Vicious hostility to nonwhite races and relentless vilification of Jews are major components of the movement's theology of hate.

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TEL AVIV (JTA) -- An Israeli soldier was wounded in a roadside ambush in south Lebanon Wednesday, a military spokesman reported Thursday. The incident occurred near the Burj-A-Shamali camp east of Tyre where a group of men pretending to repair a disabled car parked off the road, suddenly opened fire with small arms on a passing group of Israeli soldiers. The assailants escaped in the car.

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TEL AVIV (JTA) -- Maj. Saad Haddad said Thursday that he will be taking "a short period of rest" on his doctor's orders, but will remain in command of his Christian militia.