

UNITY GOVERNMENT DIVIDED ON MATTERS OF ECONOMIC POLICY

By Gil Sedan

JERUSALEM, Oct. 2 (JTA) — Serious differences over economic policy on the Likud side of the unity government have cast a cloud over Premier Shimon Peres' upcoming trip to Washington to seek immediate, substantial increases in U.S. economic aid.

Deputy Premier David Levy abruptly resigned from the special ministerial committee negotiating economic matters with Histadrut. At Sunday's weekly Cabinet meeting he sharply attacked the economic policies of Finance Minister Yitzhak Modai and charged that the unity government's economic measures taken so far will bear down hardest on wage earners.

Levy is a member of Likud's Herut wing, Modai is a Likud Liberal. Their quarrel is seen by observers as another manifestation of the tension between Herut and the Liberals which was evident long before the July 23 Knesset elections.

Levy's aides are telling the media that Finance Minister Modai is "shooting aimlessly in all directions, cooperating with Peres, surrendering to pressure from the Histadrut and ignoring Likud and the ministerial economic committee." Modai, seeking to avoid a confrontation with Levy, took credit for securing \$920 million worth of budget cuts over a very short period.

Liberal Party sources, however, are accusing Levy of trying to curry favor with workers in preparation for the next Histadrut elections and positioning himself for a leadership race brewing within Likud.

Differences within the economic hierarchy came to the fore with the resignation Sunday of Nissim Baruch, Director-General of the Finance Ministry, and his prompt replacement by Emmanuel Sharon, the man Baruch himself had replaced only last June.

Government Criticized For Dragging Its Feet

Baruch's letter of resignation criticized the new unity government for failure to take speedy, decisive measures to solve the country's worsening economic crisis. He charged that the measures agreed to so far would only fuel inflation and impose additional burdens on the poor.

Sharon, 55, who headed the Treasury in the final months of the Likud-led coalition government, had issued a blast against "election economics" when he quit last June. He planned to enter private business but reportedly was urged by Modai to return to the Finance Ministry. He, like Baruch, is known to advocate very tough economic measures to prevent economic collapse.

There is considerable speculation over how these developments might affect Peres' mission to Washington. He leaves for the U.S. next Saturday night and is to meet with President Reagan, Secretary of State George Shultz and other top Administration officials.

Peres is expected to ask the Americans to increase aid to Israel by \$600 million a year in each of the next five years, which would raise it to \$2 bil-

lion a year, a total of \$10 billion over five years. It is reported, moreover, that Peres will ask that the entire aid package be in the form of grants so that Israel could use the greater portion for purchases at home rather than in the U.S.

EEC SEEKING ROLE IN RENEWED MIDDLE EAST PEACE EFFORTS

By David Kantor

BONN, Oct. 2 (JTA) — With the new Israeli unity government in place, there is an opening now for renewed Middle East peace efforts in which the European Economic Community (EEC) nations would like to take an active part, West Germany's Foreign Minister Hans-Dietrich Genscher has told Egyptian Foreign Minister Abdel Esmat Meguid in a conversation at the United Nations in New York, it was reported here.

He conveyed a similar message at a separate meeting with UN Secretary General Javier Perez de Cuellar, according to reports. He has also accepted an invitation from his Syrian counterpart, Farouk Al-Shara, to visit Damascus in the near future. German diplomatic sources said the visit is in line with Genscher's hope to reactivate the Middle East diplomatic involvement of the EEC countries.

According to Genscher's aides, the Foreign Minister did not specify what the European community would do. But he made it clear that the Europeans prefer to advance existing "realistic efforts" toward a resolution of the Middle East conflict rather than formulate a peace plan of their own.

Sources in Bonn said the European Foreign Ministers have recently discussed the issue and instructed their aides to prepare alternative drafts for diplomatic action.

Support Seen For Reagan's Initiative

The language Genscher used in reference to existing peace efforts suggested to observers here that the EEC, or at least West Germany, would back elements of President Reagan's September 1, 1982 peace plan and of the plan advanced by King Fahd of Saudi Arabia. Both are viewed here and in other major Western European capitals as realistic and even-handed.

Genscher's talks with Meguid also served to prepare for Egyptian President Hosni Mubarak's visit to Bonn from October 30-November 2. Mubarak reportedly will seek new West German commitments for massive economic aid and credits for the possible purchase of several nuclear power stations. West German companies are competing with American and French manufacturers of nuclear plants for the multi-billion dollar order.

In his talk with the Syrian Foreign Minister, Genscher is said to have stressed that the role played by Damascus in Lebanon and in the Middle East generally puts special responsibility on Syria. He also told the Syrian diplomat, as he had the Egyptian, that now that Israel has formed a new government, the time is ripe for the Europeans to renew their diplomatic activity in the Middle East.

Meanwhile, in a written statement on the Jewish New Year, Genscher pledged that Bonn will continue to cooperate closely with Israel and support its efforts to solve its economic crisis and advance peace prospects in the region. He stressed that the Bonn government will

do anything it can to contribute toward a broad and lasting peace in the Middle East.

SHAMIR, MURPHY IN HOUR-LONG MEETING By Yitzhak Rabi

NEW YORK, Oct. 2 (JTA) -- Israeli Foreign Minister Yitzhak Shamir met today with Richard Murphy, Assistant Secretary of State for Near Eastern and South Asian Affairs, to hear Murphy's report of his recent meetings in Damascus and Beirut in connection with an agreement on Lebanon.

A spokesman for Shamir said the meeting lasted one hour and was held at the Regency Hotel. The spokesman said Murphy told Shamir that the U.S. will continue to exchange views on the subject with the governments of Israel, Syria and Lebanon and that he would meet with Syrian Foreign Minister Farouk Al-Shara on Thursday and possibly learn Syria's response to American suggestions with respect to Lebanon.

Murphy also told Shamir he would like to meet with him once more while the Israeli Foreign Minister is in New York. According to the spokesman, Shamir stressed to Murphy Israel's readiness to withdraw from south Lebanon. But he emphasized that there would be no withdrawal unless satisfactory security measures are found to protect Israel's northern borders.

Shultz Says Israel Wants To Withdraw

The issue of Israel's withdrawal was also discussed yesterday by Secretary of State George Shultz. Addressing a luncheon in honor of the Gulf Corporation Council, which comprises Saudi Arabia, Kuwait, Oman, Qatar, the United Arab Emirates and Bahrain, Shultz said: "There is no question about the fact that Israel wants to withdraw as promptly as it can, that it makes the withdrawal not contingent on Syrian withdrawal, as at one time had been the case, and that both Syria and Israel, as well as Lebanon, are talking in terms of an expanded UNIFIL mandate, although just what that means and what role it would play is part of the problem."

UNIFIL is the United Nations Interim Force in Lebanon whose mandate is scheduled for renewal later this month by the Security Council.

Shultz also told the Council luncheon that the outcome of Murphy's mission to the Mideast showed that there was "a long way to go" before an agreement on an Israeli withdrawal from south Lebanon could be reached. He said Murphy's mission had not progressed enough to allow the U.S. to mediate between Israel, Syria and Lebanon.

BEGIN LEAVES HOSPITAL

By David Landau

JERUSALEM, Oct. 2 (JTA) -- Former Premier Menachem Begin left Shaare Zedek Hospital today after a three-week stay during which he underwent surgery for a prostate condition. He appeared to be in good health though wan, and in good spirits.

The fact that he spoke to the news media and allowed himself to be photographed immediately raised speculation that Begin will end the self-imposed seclusion that has lasted since his sudden resignation as Premier in September, 1983.

Speaking briefly to reporters before leaving for his home in a Jerusalem suburb, Begin refused to be drawn into comment on current political matters. He said he "wanted to thank" the medical staff and nurses who had "taken such good care of me." He had special praise for Dr. Amitzur Farkas, head of the urology department at Shaare Zedek, who successfully performed surgery on the 71-year-old Begin on September 20.

The former Premier's long-time aide and confidant, Yehiel Kadishai, told the media that Begin may now start writing the book he plans, a personal saga of the Holocaust and the birth of Israel tentatively titled "The Generation of Destruction and Redemption."

ISRAELI OFFICIAL SAYS ISRAEL CAN'T SOLVE ITS INFLATION PROBLEM BY ALLOWING UNEMPLOYMENT TO DEVELOP By David Friedman

WASHINGTON, Oct. 2 (JTA) -- Israel cannot solve its 400 percent annual inflation problem by allowing unemployment to develop, as other countries have done, it was stressed here today by Tourism Minister Avraham Sharir and Likud MK Ehud Olmert.

Speaking to some 100 Jewish leaders, participating in the United Jewish Appeal's third annual Hineni national leadership meeting, both said that large-scale unemployment would mean that many young Israelis would emigrate. Sharir added they would also make more difficult the task of absorbing new immigrants.

"Many times when I come to this country and I see so many Israelis who are living here, my heart breaks," Sharir told the UJA group in a briefing at the Israel Embassy. "We cannot afford to lose Israelis. We are going to be safe and sound in our country when we are going to have a population of five to six million Jews like in ancient times."

Sharir added that the Arabs will then "have to give up their dream to throw us into the sea because you can't destroy a country of five to six million Jews."

Effect Of Budget Cuts

Olmert noted that the decision of the new unity coalition government, led by Premier Shimon Peres, to cut \$1 billion from its budget means it has to come either from defense, which Sharir said is already near the "red line" where it cannot be reduced further without endangering security, or from such items as welfare or social services.

But Olmert stressed that Israel, in solving its economic problems, cannot "create other social problems that will have consequences that are as dangerous to the Israeli society as the economic difficulties." "We know all the solutions, we know all the theories," Olmert said but, he added, the problem is to put them into effect "without creating other social problems."

Sharir suggested one solution was increasing exports and urged the Jewish leaders to help in this area. Turning to his own field of concern, Sharir said that tourism, which earned Israel \$1 billion this year, could easily be doubled.

Optimism About The Unity Government

The two Israelis, both members of Likud, stressed that the new coalition government of Labor and Likud was the only way in which the economic problem could be dealt with. Olmert said that a "narrow government" led either by Labor or Likud, would have been too weak and too dependent on the many small parties to act.

He said Labor and Likud were "not ignoring the differences," but putting them aside for two to four years until the new government deals with the country's major problems. Olmert predicted that once these problems were met, Labor and Likud would go back to arguing their ideologies.

"In times of crisis, the State of Israel and the political system of Israel, which unfortunately I think does not enjoy the best reputation, both inside and outside, still proves it can overcome minor differences and even major differences in order to do what is essential for the national interest," Olmert stressed. Sharir was even more optimistic about the coalition, predicting

it would last a full four years and would maybe be a "sign for the future." He said there had been a "gulf widening" between Israelis with increased fanaticism and with extremists on both sides gaining more power.

Sharir said the new unity government may now be an example not only for Israelis but for Jews in the diaspora, too. "We are too small to be divided," he said.

HOLOCAUST MEMORIAL DEDICATED

NEW YORK, Oct. 2 (JTA) -- "The Last March 1939-1945," a dramatic wall sculpture that commemorates the millions who died in the Holocaust, was dedicated at the Jewish Theological Seminary of America in ceremonies here Sunday. More than 500 Jewish leaders and government officials attended the ceremonies.

The Seminary also announced the establishment of an Institute for the Study of European Jewry to examine the impact of the Holocaust on second generation survivors and the contemporary Jewish world.

Dr. Gerson Cohen, the Seminary's chancellor, said the Institute, which will be housed in the Seminary, is being established to focus the same attention on recent Jewish history that Jews have traditionally devoted to the more distant past, such as the Biblical, rabbinic and medieval periods.

'It Is Not Enough To Mourn The Dead'

"It is not enough to mourn the dead," Cohen said. "Nor is nostalgia for what was destroyed of real help. Remembering involves digesting the experience so that it becomes part of the personal history of each of us, and of the collective memory of the society."

He pointed out that "we must begin to investigate the factors in 19th century Jewish culture that made it a target for the Nazis and their colleagues. Was it their dignity and self-respect, the cultural richness of music, art and literature that they surrounded themselves with, or their relentless search for knowledge, education and self-betterment that allowed each generation to stand on the substance of those who came before?"

Must Know And Understand

Menachem Rosensaft, chairman of the Holocaust Dedication Committee and founding chairman of the International Network of Children of Jewish Holocaust Survivors, said that in order to perpetuate the memory of six million Jewish victims of the Holocaust "it is not enough for us to recall the inferno in which they perished. Rather, we must first know and understand who they had been in normal times, before they became immersed in death and horror."

Continuing, Rosensaft said: "We must educate ourselves about the entire multi-faceted culture of Eastern and Central European Jewry which was destroyed together with the six million kedoshim of the Holocaust. We must learn about and try to see the synagogue, yeshivas and Jewish homes that were engulfed by fire, as well as the words and songs of those who gave these buildings their spirit and their significance.

"In other words, let us not sanctify the flames of Auschwitz or the gas chambers of Treblinka. These were the instruments of absolute evil, and we may not allow our commemoration of the Holocaust to become an obsession with evil."

"The Last March" was commissioned and financed by Dallas philanthropist Paul Lewis, who has dedicated his life to establishing memorials and monuments to the Holocaust throughout the United States.

Lewis, a Polish immigrant, established the first such memorial in Dallas' Temple Shearith Israel in 1959. Since then, he has been the force behind 16 similar tributes. Over the years, Lewis has been honored by Zionist and Jewish organizations as well as by the Israeli government. In 1969, he established the first chair for the study of the Holocaust at Yeshiva University in New York City.

IDF TO THIEVES: PRESENT ARMS

By Hugh Orgel

TEL AVIV, Oct. 2 (JTA) -- The Israel Defense Force yesterday began a month-long bid to retrieve an estimated \$250 million worth of military equipment reported missing and believed to be in the hands of civilians and army reservists.

For the next month no disciplinary measures will be taken under a special "amnesty" granted to any person turning over to army bases or civilian police stations any military equipment in their possession. After that time, anyone found in illegal possession of army equipment will be severely punished.

The items covered by the amnesty include clothing, arms and ammunition, and other military equipment including binoculars. According to the IDF, equipment missing from their stores include 300 Galil rifles, 200 M-16s, seven bazookas, 45 light mortars, and two 0.50-caliber machine guns. Clothing items include 300,000 sets of IDF work fatigues, 24,000 sets of fireproof overalls, 44,000 mattresses, 11,000 metal cots, and large quantities of blankets and sleeping bags.

WEINBERGER TO VISIT ISRAEL THIS MONTH

WASHINGTON, Oct. 2 (JTA) -- Defense Secretary Caspar Weinberger announced today that he will go to Israel in two weeks. Weinberger made the announcement at a briefing for some 100 Jewish leaders participating in the United Jewish Appeal's third annual Hineni national leadership conference.

He said he had accepted an invitation extended by Israeli Defense Minister Yitzhak Rabin and would go to Israel after attending a NATO meeting in Italy next week. According to Weinberger, it will be his first visit to Israel in two years.

LARGE BIRDS TO GET PROTECTION

TEL AVIV, Oct. 2 (JTA) -- The Israel Electric Corporation is building special roosts for large birds atop its power pylons and poles in the Golan Heights area -- at the request of ecologists and bird lovers and also to protect its own equipment.

Thirteen birds -- described variously as vultures or eagles -- were electrocuted recently when they rested on high tension lines after bathing in nearby pools. During the past three years some 40 vultures have been electrocuted, local residents say.

Last year a number of storks, which cross Israel in large numbers on their annual migration between Europe and Africa, were electrocuted and caused power failures when their wide wing-span caused short circuits.

At the request of the Nature Reserves Authority the Electric Corporation has agreed to build wooden platforms on top of the power pylons, as roosting spots for the vultures which are known to perch on the highest structure available.

JERUSALEM (JTA) -- The Hebrew University has established a research center devoted to the study of the 17th century philosopher, Baruch Spinoza. It is only the third such center in the world.

HIGHLIGHTS OF THE YEAR 5744

By Kevin Freeman

NEW YORK, Oct. 2 (JTA) -- This concludes developments around the world.

MAY 1984 --

Israel establishes diplomatic relations with Kiribati, a new nation comprising 33 islands in the southwest Pacific, with a population of about 60,000.

JUNE --

Jewish war veterans from a half a dozen countries and former resistance fighters mark the 40th anniversary of the Allied landings in Normandy as hundreds stroll along Utah beach where some of the heaviest fighting occurred, and hundreds more place wreaths at military ceremonies.

Delegates to the 19th congress of the Universal Postal Union, the largest international organization with a membership of 166 nations, meeting in Hamburg, reject an Arab initiative to expel Israel from the organization.

The extreme rightwing National Front Party, led by Jean Marie Le Pen, and said to be ideologically akin to the Vichy regime of World War II, receives a substantial boost in respectability when it stages a surprisingly good showing in the elections to the Parliament of Europe, based in Strasbourg.

JULY --

American Conservative Rabbi Richard Yellin of Chestnut Hill, Mass., pronounces the traditional Jewish blessing on Pope John Paul II at an audience in the Vatican and the Pontiff joined in what was probably the first encounter of its kind between a Jewish spiritual leader and the head of the Roman Catholic Church.

Three Israelis and a Nigerian diplomat are in police custody in London following the botched attempt to kidnap Umaru Dikko, a former Transport Minister of Nigeria, who is now a political exile. Israel disclaims any connection with the incident.

Laurent Fabius, the 37-year-old son of an old French Jewish family that converted to Catholicism after World War II, is named Prime Minister of France by President Francois Mitterrand following the resignation of Pierre Mauroy.

The head of Spain's Jewish community, Samuel Toledano, discloses in New York that the final details are being concluded on an historic agreement between the government of Spain and the 12,000 member Jewish community there defining and protecting their civil and religious status.

AUGUST --

The International Conference on Population held in Mexico City, sponsored by the UN, concludes by adopting a revised program which includes a provision condemning, without naming Israel, the "establishment of settlements in territories occupied by force."

A two-day conference entitled "Hungarian Jewry in the 20th Century," which includes the participation of historians from Israel, held in the prestigious Hungarian Academy of Sciences, examines anti-Semitism and the deportation of Hungarian Jewry in 1944.

SEPTEMBER --

Pope John Paul II, the first Pope to visit Canada, meets for 10 minutes with a delegation of 10 Jewish leaders who urge him to have the Vatican extend official recognition to Israel.

West Germany's Jewish community is angered by a court decision to free two persons accused of devising and circulating a macabre game in which pawns

representing Jews are sent to death camps by a throw of dice. The game was circulated widely in 1982-83.

Only 69 Soviet Jews were permitted to emigrate this month. A total of 721 Jews received exit visas from January through September.

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DULZIN RAPS GROMYKO FOR MIS-STATEMENT

JERUSALEM, Oct. 2 (JTA) -- Leon Dulzin, chairman of the World Zionist Executive, charged here that Soviet Foreign Minister Andrei Gromyko furnished Israel's Deputy Premier and Foreign Minister Yitzhak Shamir with "false information" when the two met in New York last week. Gromyko reportedly told Shamir that all the Jews who had wanted to emigrate had already left the USSR.

In a cable to Shamir, Dulzin pointed out that since 1971, the Soviet authorities received more than 642,000 applications for exit visas by Jews but that only 261,000 were permitted to leave. The rest are still waiting for their visas, while many others are afraid to apply, Dulzin stated.

LUBAVITCH RABBI BLASTS JEWISH GROUPS OPPOSING PRAYER IN PUBLIC SCHOOLS

SAN FRANCISCO, Oct. 2 (JTA) -- Blasting Jewish agencies that oppose prayers in public schools, Rabbi Abraham Shemtov, the only Jewish representative on the National Advisory Council on Adult Education, said here that the issue of church-state separation has become "very vague" and needs more study before becoming a battlefield for Jews, it was reported in the Northern California Jewish Bulletin.

A Reagan-appointee and the Washington representative of the Lubavitch movement, Shemtov was in San Francisco last week to attend a conference on adult education. The Lubavitch movement and President Reagan advocate silent prayers in public schools.

During a tour of bilingual adult education centers in this city, Shemtov, 46, said it would be better to have silent school prayers rather than prayers spoken aloud proselytizing one religion or another. He also said prayers in schools might enable a child to discover something about religion.

Referring to public displays of Chanukah menorahs, such as the ones in San Francisco, Philadelphia and Washington, Shemtov said: "We (Jews) should not hide ourselves and feed on our own inferiority complexes and ghetto mentality." The Philadelphia-born rabbi said he took "great pride" introducing the 28-foot menorah at the foot of the Liberty Bell in Philadelphia and in organizing the installation of the 30-foot national menorah in Lafayette Square in Washington.

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NEW YORK (JTA) -- Only 69 Soviet Jews were permitted to emigrate last month, according to the Greater New York Conference on Soviet Jewry. This brings the total for the first nine months of 1984 to 721. At this rate, the Conference said, less than 1,000 Soviet Jews will have received exit visas this year.

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JERUSALEM (JTA) -- A Trauma Research Center, believed to be the largest of its kind in the world, has been established at the Hebrew University-Hadassah Medical School. The staff of 100 researchers will study various aspects of trauma caused by injuries in military and civilian life.