



REACTIONS TO ROCKET ATTACK ON AN ARAB BUS RUNS THE GAMUT FROM OUTRAGE AND REVULSION TO PRAISE
By David Landau

JERUSALEM, Oct. 29 (JTA) — The rocket attack yesterday, apparently by Jewish extremists, on an Arab bus here in which one young man was killed and 10 other persons were wounded, produced the predictable gamut of reactions today — from stonethrowing at the Daheisha refugee camp, to outrage and condemnation from politicians of most parties, to praise from Rabbi Meir Kahane's Kach Party.

Early radio reports last night that police had arrested three Jews close to the scene of the attack proved inaccurate, or at least premature for the time being. The police had no one under arrest today.

Police Minister Haim Barlev, a former army Chief of Staff, condemned the laxity in the army which enabled the rocket launcher to find its way into the hands of "fanatics." He called on the military authorities to tighten up security in this respect. The rocket launcher is widely used by the infantry.

(In the ongoing campaign by the Israel Defense Force to have stray equipment returned to the army, which has lasted throughout this month, scores of rifles, mortars, grenades and other lethal weapons have been brought back to the police stations and army camps across the country. The campaign enables people to return army equipment with "no questions asked." The IDF announced that the amnesty period for returning weapons will end November 1 and that after that date it will conduct an intensive search-and-prosecute effort against recalcitrants.)

Yesterday's attack was the first such anti-Arab incident since last April when police thwarted an attempt by Jewish extremists to plant bombs on Arab-owned buses in Jerusalem and the West Bank. Subsequently, 25 Jews were arrested and are subsequently on trial in connection with several attacks on West Bank Arabs during the past three years.

Statements By Various Political Personalities

Reacting to yesterday's attack, Barlev said "We do not think (apprehending) the Jewish underground case suspects was the end of the matter. The security authorities are continuing to follow the doings of these crazies." In a television interview, he called for "immediate" Knesset legislation that would specifically outlaw racist actions and statements — and thereby render Kahane's utterances illegal.

Justice Minister Moshe Nissim said that "no one has the right to act in place of the government ... The hand of the law will reach these criminals." Defense Minister Yitzhak Rabin called the attack a "repulsive act of violence against innocents." Minister-Without-Portfolio Yosef Shapira of Morasha, called the attack "an act of lunacy and irresponsibility. This is no revenge but an indiscriminate act of violence against innocent people."

A handwritten note in Hebrew found near the rocket launcher declared that the attack was an act of revenge for the murder of an Israeli man and woman who had been hiking near Beit Jalla, outside Jerusalem. Police said the suspect in that execution-style shooting admitted the crime and said he had

done it out of nationalistic motives. Rabbi Moshe Levinger of Hebron, a leader of West Bank Jewish settlers, said yesterday's bus attack was "a result of the government's weakness in security in Judaea and Samaria. We keep calling for a tough policy and the death penalty for terrorists."

Kahane declared: "May the hands which did this be strengthened It was a brave and noble act."

SPAIN IS PREPARING TO SEND AN AMBASSADOR TO ISRAEL
By David Kantor

BONN, Oct. 29 (JTA) — A prominent Spanish Socialist politician, Enrique Mugica-Herzog, is preparing himself for the task of becoming his country's first Ambassador to Israel, according to well informed sources in Madrid. The sources said that Spain is taking seriously warnings by West European nations that failure to establish diplomatic relations with Israel could add to Spain's difficulties in joining the European Economic Community (EEC) at the beginning of 1985.

Madrid apparently wants to appoint a "political" Ambassador rather than a professional diplomat to what is considered to be an extremely sensitive task of representing Spanish interests in Israel some time in the near future.

While the Spanish Foreign Ministry officially maintains that no new steps have been taken to establish diplomatic relations with Israel, it is, at the same time, giving the impression that the time is ripe for new initiatives. This has been made clear in recent reports by Spanish journalists who are close to the Foreign Ministry, such as Pilar Cernuda.

'More Than Just Speculations'

Diplomats in Spain, in telephone interviews, confirmed that the reports by Cernuda and other journalists have been "more than just speculations." The diplomats pointed to what they termed "a rapid development of contacts between Spain and Israel in recent months." They added that Prime Minister Felipe Gonzalez of Spain and Premier Shimon Peres of Israel are known to have established very good contacts.

The diplomats also noted that Spain and Israel have developed a close cooperation in combatting terrorism. They said that Spanish security experts regularly visit Israel to inform themselves on internal security-related matters but they declined to confirm reports in Madrid that Israeli security experts stay in Spain on a permanent basis.

Several members of the present Spanish Cabinet visited Israel before they became ministers. They were Gonzalez, Vice Prime Minister Alfonso Guerra, Interior Minister Jose Barrienuedo, Health Minister Ernest Lluch, Transportation and Tourism Minister Enrique Baron, and Minister-Without-Portfolio Javier Mosecos. Other leading figures of both the coalition and the opposition have also visited Israel and are on record as sympathetic to the Jewish State.

FERRARO ACCUSES REAGAN OF A 'DISGRACEFUL FALSEHOOD'

NEW YORK, Oct. 29 (JTA)—Democratic Vice Presidential candidate Geraldine Ferraro today accused President Reagan of a "disgraceful falsehood" when he asserted last week at a political rally in a North Woodmere, Long Island synagogue that the leadership of the Demo-



cratic Party lacked the "moral courage" to denounce anti-Semitism. "President Reagan's remark is contradicted by the whole history of my party," Rep. Ferraro declared. "It was a Democratic President, Franklin D. Roosevelt, who led this nation in the fight against the Nazis.

"It was a great Democrat, President Harry Truman, who recognized the Jewish State of Israel just a half hour after that nation came into being. It was a trio of courageous Democrats — John Kennedy, Lyndon Johnson and Hubert Humphrey — who led the battle against all forms of discrimination and fought for the civil rights of every American."

Ferraro's speech today was before an overflow crowd of 1,200 assembled at the Congregation Kehilath Jersherun in Manhattan, arranged under the auspices of the Jewish Community Relations Council of New York and the New York Board of Rabbis, the association of Orthodox, Conservative and Reform rabbis. Her 25-minute speech was interrupted numerous times by applause.

Hits Reagan For His Holocaust Remark

The Vice Presidential candidate also rebuked Reagan for asserting last week that the U.S. sent the marine forces into Lebanon to prevent another Holocaust of Jews. "I don't know which is more troubling, the President's ignorance of the facts or his cynical exploitation of the Holocaust," Ferraro asserted.

Continuing, Ferraro added: "The plain fact is that marines were sent into Beirut for the first time (in 1982) not to protect Israel but to oversee and protect the safe withdrawal of the Palestine Liberation Organization from that city. Does he (Reagan) think we have forgotten that?"

On the issue of the separation of church and state, Ferraro charged the Reagan Administration with having given "a platform in this campaign" to such "moral monopolists" as the Rev. Jerry Falwell, head of the Moral Majority, and the Rev. James Robison, who delivered the invocation at the Republican national convention in Dallas last August. "These individuals have not been spurned by the Republican Party," she declared. "They have been welcomed into it."

SCHINDLER ASSAILS REAGAN'S REFERENCE TO ANOTHER HOLOCAUST

NEW YORK, Oct. 29 (JTA) — Rabbi Alexander Schindler, president of the Union of American Hebrew Congregations, representing Reform synagogues, today assailed as "both false and grossly offensive" President Reagan's claim last week at a political rally in a North Woodmere, Long Island synagogue that American marines were sent into Lebanon to prevent another Holocaust of Jews.

Schindler pointed out that the American troops were sent to Lebanon to oversee the evacuation of the PLO from Beirut. He added that Reagan's assertion also "denies a fundamental aspect of U.S.-Israel relations. Israel has stated publicly on numerous occasions that it will never ask for American troops to defend its borders or the lives of its citizens. It asks only for the military and economic support necessary to do the job itself."

Continuing, Schindler said: "Equally important, we are offended because the President's statement demeans significance of the Holocaust. The genocidal effort to eradicate the Jewish people throughout the world simply because they were Jews was a unique event in human history. Evoking the memory of the six million Jews murdered by the Nazis, at a political

rally in a synagogue 10 days before the election for clearly partisan purposes, insults the feelings of American Jews and the intelligence of the American people."

U.S. REITERATES THAT IT WILL NOT BECOME INVOLVED FOR THE PRESENT IN MEDIATING LEBANON SITUATION

By David Friedman

WASHINGTON, Oct. 29 (JTA) — The Reagan Administration reiterated today that it has no intention of becoming involved for the present in mediation or negotiations on Lebanon despite the public desire of the Israeli government that it do so.

The State Department spokesman, Alan Romberg, noted that Richard Murphy, Assistant Secretary of State for Near Eastern and South Asian Affairs, is in the Middle East and it was "logical" that Lebanon would be discussed when Murphy visits the various capitals. Both Murphy and Michael Armacost, Undersecretary of State for Political Affairs, were in Saudi Arabia today.

The Israeli Cabinet announced a policy decision yesterday that urges the United States to act as mediator to achieve a troop withdrawal from south Lebanon, coupled with guarantees preventing Syria from moving its forces into the areas vacated by Israel and terrorists from infiltrating from Syrian-controlled territory toward Israel.

Romberg said the United States still wants a complete withdrawal of foreign forces from Lebanon but he repeated the Administration position that before that the United States will agree again to act as a mediator, Israel, Syria and Lebanon must demonstrate a "narrowing of the substantial differences that now exist" and a willingness to engage in a "practical problem-solving approach."

He refused to comment on what the issues were that were dividing the three countries or to "weigh" which country was more responsible for the division.

Meanwhile, Romberg said the United States "deplored" the rocket attack on an Arab bus yesterday. He stressed that the Israeli government indicated that it would move "swiftly to do whatever it can to bring those responsible to justice."

ISRAEL RAPS BRITAIN AND FRANCE FOR ARMS SALES TO ARAB STATES

JERUSALEM, Oct. 29 (JTA) — Israel lashed out yesterday at Britain and France for seeking to sell advanced arms to hostile Arab states and thus escalate the Mideast arms race. The comments were timed to coincide with the arrival here, for an official visit, of British Foreign Secretary Sir Geoffrey Howe. (See related story, P. 3.)

Officials in Jerusalem blasted Britain's and France's weapons-peddling in this region. They referred to recent separate sales missions by the British and French Defense Ministers to various Arab countries.

"Such supplies (if realized) must inevitably add to the danger of escalation and war," the officials said. "Such policies should not be pursued by those purporting to promote peace in the region."

The comments referred specifically to sales to "countries in a state of war with Israel," thus impliedly excluding British efforts to interest Egypt in London's military wares.

TWINNING OF WEST BANK SETTLEMENT WITH SOUTH AFRICAN PUPPET STATE IS RAPPED BY ISRAELI FOREIGN MINISTRY

By Hugh Orgel

TEL AVIV, Oct. 29 (JTA) — The West Bank settlement of Ariel is to be twinned on Wednesday with Bisho, capital of the puppet state of Ciskei, even though Israel and the rest of the world, apart from South Africa, does not recognize that country set up by South Africa as an African "homeland."

Ciskei's President Lennox Sebe is scheduled to arrive here tomorrow for an unofficial four or five day visit which the Israel Foreign Ministry is unhappy with but cannot prevent as Sebe is coming on a South African passport.

The Foreign Ministry was not consulted by Ariel before the decision to twin with the Ciskei capital. It is not known whether any Cabinet ministers and prominent Israelis will accept Ariel's invitation to attend the twinning ceremony. A Foreign Ministry spokesman said the arrangement with Ciskei's capital "is not to our liking."

Ariel spokesmen said they did not see any difference between their West Bank town twinning with Bisho and Haifa twinning with Cape Town some years ago.

BRITAIN'S FOREIGN SECRETARY ON HIS FIRST VISIT EVER TO ISRAEL

By Maurice Samuelson

LONDON, Oct. 29 (JTA) — Sir Geoffrey Howe, Britain's Foreign Secretary, is on his first visit ever to Israel. On the eve of his departure yesterday, he said he was taking "no preconceived ideas or blue-prints" for solving the problems of the Middle East and that he would show "a deep personal concern and a willingness to listen" to his Israeli hosts.

Although he seems anxious to contribute to an improvement in Anglo-Israeli relations, his hosts will find no softening in his view, expressed nearly a year ago during a visit to Saudi Arabia, that Israel was partly responsible for the lack of progress towards an Arab-Israeli settlement.

Sir Geoffrey maintains that Israeli settlements on the West Bank are illegal and that there should be self-determination for the Palestinians. He regards a resuscitation of the Reagan Middle East initiative after the forthcoming American Presidential elections as the best prospect for renewing the diplomatic process.

He will also urge Israel to speed up its withdrawal from south Lebanon and may even consider sending British troops to expand the United Nations forces there. He is placing at least as much importance on his discussions about direct relations between the two countries, particularly trade, and the implications of Spain's and Portugal's entry into the European Economic Community for British purchases of Israeli citrus products.

Dislikes The Arab Boycott

Like many other British politicians, Sir Geoffrey readily expresses his distaste for the Arab boycott, which he regards as an interference in free trade. However, as he told the Jewish Telegraphic Agency here last Friday, the government is still not ready to permit the sale of British North Sea Oil to Israel.

He denies that any discrimination is involved since Israel is only one or many countries who are not members of the EEC or the International Energy Agency and therefore do not qualify to buy British oil.

He recognizes that this policy was laid down five years ago when there was a worldwide oil shortage, but even though there is now a glut of oil, with prices falling, the guidelines are not to be changed.

Sir Geoffrey was to have visited Israel earlier in the year, but the trip was postponed because of the Israeli general elections. Besides meeting Israeli leaders, he will visit the Yad Vashem Holocaust Memorial in Jerusalem and tour northern Galilee.

HY VILE DEAD AT 82

KANSAS CITY, Oct. 29 (JTA) — Funeral services were held here last Thursday for Hy Vile, a Polish-born industrialist who was honored on numerous occasions for his decades of service to Jewish causes locally and nationally. He died in his home last Monday at the age of 82.

Vile, who served as president of Beth Shalom Synagogue, was named Man of the Year in 1963 by the Jewish Theological Seminary of America. He was a member of the Board of the Jewish Telegraphic Agency at the time of his death.

Active in founding the Hyman Brand Hebrew Academy, and a lifetime honorary trustee of the day school, he was also honored by Yeshiva University, which conferred on him its Heritage Award in 1975.

Vile was active in Israel Bond drives and was a member of the Board of the Kansas City Jewish Federation. He was an Hadassah Associate and, with his wife Bella, was the recipient of one of the highest Hadassah awards, the Ima/Abba Award. He was also active in the Jewish National Fund and B'nai B'rith. Vile authored a popular column for the Kansas City Jewish Chronicle called "Seriously Speaking."

Vile came to the United States at the age of four. He sold newspapers, worked in local printing plants and learned the printing trade in high school. He was the co-founder of a principal printing company here and in the general community he was a leader in the graphic arts industry.

METROWEST STRIKE ENDS

By Ben Gallob

NEW YORK, Oct. 29 (JTA) — A month-long strike against the United Jewish Federation of Metrowest in East Orange, New Jersey, by 150 union workers has been ended by agreement on a new two-year contract. Howard Charish, Federation executive vice president, said the offices of the Federation and its affected agencies maintained services throughout the strike, which began September 17 and ended October 22, by use of managerial personnel.

Dora Fligel, chairperson of the union, Local 215, District Council 1707 of the American Federation of State, County and Municipal Employees (AFSCME), told the Jewish Telegraphic Agency that the new two-year contract provided for a salary increase of six percent for each year, or at least \$13 per week more, for non-professionals — clerical and maintenance workers.

The contract also provides either six percent more or \$800 more annually for professionals with a B.A. degree; and \$1,000 more annually for professionals with an M.A. degree. Fligel also reported that existing medical and hospitalization terms were maintained. Charish confirmed the terms of the settlement.

The affected agencies were the Federation, the Jewish Counseling Service Agency, the Y and the Jewish Vocational Service. All of the striking employees returned to work on October 22.

JERUSALEM (JTA) — The Israeli authorities were reported Monday night to be considering closing Bethlehem University following a day of violence on and near the campus in reaction to Sunday's bus attack in Jerusalem. Students at Bethlehem stoned passing cars and border policemen responded with tear gas grenades during the hours of unrest at the campus.

BEHIND THE HEADLINES ISRAEL'S ECONOMIC WOES

By Steven A. Cohen

WALTHAM, Mass., Oct. 29 (JTA)— Israel is trapped in a web of conflicting economic forces in its struggle to cope with an ailing economy, according to a Brandeis University economist who says solutions to one problem often exacerbate others.

"Israel today is faced with the problems of mounting foreign debt, high trade and budget deficits and 400 percent inflation," says Robert Lerman of Brandeis' Heller Graduate School. "Because of the intermingling of so many things in Israel's economy, it's difficult for them to cope."

For example, government cuts in price subsidies will initially reduce government spending. But by raising market prices, they also will raise wages and interest on government bonds because both are indexed to the cost of living.

Devaluing the currency, the traditional way countries deal with trade deficits, also fuels the inflation cycle in Israel because of the link between prices and wages.

"When you devalue, you raise the price of foreign goods," says Lerman. "That is reflected in the cost of living and thus it increases wages, which force Israeli companies to raise the price of their own goods."

Meanwhile, says Lerman, Israel's foreign debt and trade deficits are diminishing the country's ability to grow, and "they create the danger of larger and more serious economic downturns."

Background Of The Current Problems

Lerman traces Israel's current problems to economic practices that developed and were appropriate during the nation's first two decades but now have Israel "living beyond its means."

"For a new country intent on growing, it made sense to borrow abroad, to use foreign capital to supplement internal resources for investment," says Lerman. "It especially made sense for Israel, given its ability to draw on such resources as world Jewry."

Lerman says that even though Israel spent more than it produced during its first two decades, "the foreign debt position wasn't negative; it was a strategy for growth." Then, with the Yom Kippur War in 1973, "there was a large increase in military imports and a large rise in oil prices."

Unlike many other countries, Israel didn't respond to rising oil prices by cutting consumption. Consumption was allowed to rise, says Lerman, and this was financed by foreign borrowing. "Starting with this period, Israel's balance of payment deficits were no longer primarily financing growth," he says. "They became unproductive deficits."

In addition, "the share of Israel's deficits financed by grants and long-term concessionary loans from abroad began to decline, and more and more of the deficits have had to be financed by expensive short-term borrowing."

For example, Lerman says Israel owed \$3.3 billion in 1970, with about \$600 million of that in short-term debt. By 1980, Israel's debt had grown to \$22 billion, and \$9.6 billion was short-term.

"The problem now is that while everyone recognizes the long-term issues -- the growing debt and the burden of repayment -- there are many differences of opinion about what to do," says Lerman. He says the differences result from concern over Is-

rael's "super inflation" and relationships between the various elements of the economy. "The fundamental issue now," says Lerman, "is whether to give priority to bringing down inflation or reducing the balance of payments deficit."

Without improvement in Israel's balance of payments, the country risks a serious decline in living standards, increased unemployment and the possibility of emigration, Lerman says. "But efforts to deal with the trade balance directly without dealing with inflation can fail, as they have in the past."

"It's not entirely a matter of people knowing or not knowing what to do, but Israel is in a box that is very difficult to extricate from."

12 THINK TANKS TO DESIGN PROGRAMS TO STRENGTHEN ISRAEL'S ECONOMY

MILWAUKEE, Oct. 29 (JTA) — The non-profit Committee for Economic Growth of Israel (CEG-I) is forming 12 blue ribbon think tanks composed of American Jewish and Israeli business leaders to help solve Israel's economic problems, it was announced here by Elmer Winter, CEG-I chairman.

Citing recent steps announced by Prime Minister Shimon Peres to strengthen the Israeli economy, Winter said the Committee would devote "every effort to make Israel economically independent." CEG-I was established in 1976 to promote investment in and trade with Israel. The Committee is composed of some 130 top business executives in the U.S. and Israel.

Winter said he had informed Peres of the Committee's new program. He expressed his belief that the new unity government "will take appropriate steps to bring about a viable and strong Israeli economy."

12 Areas Involved

Winter announced that the 12 groups would examine U.S.-Israel business and economic relationships at both the governmental and private sector levels, and that each panel would address itself to a different facet of Israel's economy. They are:

Increasing private American investment in Israel; expanding free enterprise in Israel; exploring the potential for the sale of Israeli government-owned facilities; improving the marketing of Israeli investments in the U.S.; liberalizing Israel's investment incentives; expanding Israeli exports to the U.S.; increasing the flow of U.S. venture capital into Israeli companies.

Also, expanding the sale of limited partnerships for Israeli research and development projects; reducing the number of unfilled offset-purchase agreements by American companies; maximizing U.S.-Israel economic relationships on an intergovernmental level; stimulating Jewish non-profit organizations in the U.S. to become involved in expanding business relations with Israel; and improving the marketing thrust of Israeli universities and research/industrial parks.

Winter was a co-founder of Manpower, Inc., and served as its president for 28 years. He is the author of numerous publications and articles on Israel's economy, including "A Plan to Make Israel Financially Independent in 1990."

BONN (JTA) — The Jewish cemetery of Weyhers near the town of Fulda was desecrated over the weekend. Some 90 of the 200 tombstones were uprooted and at least 20 of the tombstones were completely or severely destroyed. Police could not estimate the amount of the damage but said it was very heavy.