

ECONOMIC CRISIS IS BEGINNING TO AFFECT DAILY LIVES OF ISRAELIS

By Hugh Orgel

TEL AVIV, Jan. 2 (JTA) — Israel's economic crisis is beginning to have an impact on the daily lives of citizens with threats of large scale unemployment and the abandonment of vital public services.

Government hospitals may close down in a few days for lack of funds. The government-owned Israel Shipyards on Haifa Bay face imminent collapse for lack of orders.

The Union of Hospital Directors said last night that they were short of heating fuel, blood plasma and food because they cannot pay their debts. The hospitals owe some 3.7 billion Shekels (\$6 million).

The Magen David Adom, Israel's Red Cross, has already cut off supplies of whole blood and plasma to the hospitals because their bills are long overdue. MDA director Amitzur Kfir said his agency is owed \$1 million and cannot meet its own payroll.

Complaint By Hospital Directors

The hospital directors complained that the Histadrut's Kupat Holim, the country's largest health fund, is behind in its payments for hospital services to its members. Histadrut denies this, claiming it has paid its share but that the government has delayed remittances to the hospitals.

Health Minister Mordechai Gur is reportedly urging the Finance Ministry to provide the hospitals with money to pay their bills. The Treasury has been accused of deliberately withholding funds from the Health Ministry as a means of pressure to agree to budget cuts.

Grim Outlook For Haifa Area Workers

Meanwhile, the outlook for workers in the Haifa area is grim. The giant Ata textile combine, the largest single employer there, won a one-month reprieve from bankruptcy just before the new year when the district court postponed its December 31 shut-down order until February 3.

But there may be no breathing spell for most of the 600 employees of the Haifa Shipyards. They face immediate dismissal because the Defense Ministry has cancelled orders for two large landing craft for the navy, citing budget cuts.

The shipyards were hit earlier by cancellations from local commercial shipowners. Only two tugs for the government Ports Authority remain in its order books and these will require only a small workforce.

Two Zim Lines container ships are being "stretched" — they are cut in half and new midsections added to increase capacity — but when that job is completed the yards will be left with repair and maintenance work which will require no more than 200 workers.

ISRAEL WILLING TO ALLOW BURIAL IN HEBRON OF SLAIN PLO OFFICIAL IN EXCHANGE FOR 4 MISSING IDF SOLDIERS

By Gil Sedan

JERUSALEM, Jan. 2 (JTA) — Israel offered to

allow burial in Hebron of the town's former mayor, faked Kawasme, in exchange for four Israeli soldiers missing in Lebanon for more than a year, it was disclosed here yesterday.

The offer was relayed to Amman, where Kawasme was assassinated last Saturday, apparently with the intention that the Jordanian authorities would pass it on to the Palestine Liberation Organization. But there was no official response from Amman where Kawasme was buried yesterday.

According to Shmuel Goren, coordinator of government affairs in the West Bank, who disclosed the attempted trade-off, Kawasme's burial is an indication that there is no deal. Premier Shimon Peres, replying to questions in the Knesset today, said Israel's offer still stands.

Kawasme was deported in 1980 and deported for alleged pro-PLO activities. At the time of his death he was a ranking member of the PLO's executive council. His killers are believed to be PLO dissidents opposed to Yasir Arafat. The Israeli authorities had reportedly refused a request from the Kawasme family that the remains be returned for burial in Hebron.

Goren disclosed that the authorities informed the family that Israel was prepared to grant their request in return for the missing soldiers.

Israelis Missing For More Than A Year

Three of them, Zecharya Baumel, Yehuda Katz and Zvi Feldman, have been missing since they abandoned their tanks in the battle of Sultan Yaacub in the Bekaa Valley of eastern Lebanon on June 11, 1982. The fourth soldier, Samir As'ad, who served in the Sidon area, has been missing since April, 1983.

Israel had reason to believe that the soldiers are still alive or, at least, that their bodies are in the hands of the PLO, on the basis of information brought back from Amman a month ago by Israeli journalist Amnon Kapelyuk.

Kapelyuk, who covered the meeting of the Palestine National Council (PNC) in the Jordanian capital, reported that PLO chief Arafat had offered to return the bodies of eight or nine Israeli soldiers killed in Lebanon in exchange for PLO prisoners in Israel's hands.

Peres, discussing the matter in the Knesset today, was skeptical. He said this was not the first time the PLO spread rumors which could cause anguish to Israeli families of missing soldiers. Arab sources in Amman said the PLO did not seem to have any knowledge of the four missing men sought by Israel.

SURVEY OF ROME'S POPULATION SHOWS JEWS ARE THE CITY'S LARGEST SINGLE RELIGIOUS GROUP AFTER CATHOLICS
By Lisa Palmieri-Billig

ROME, Jan. 2 (JTA) — A research project on the "Religious Cultures in Rome", conducted by the Municipality, has yielded new facts and figures about the three major religious communities here — Catholic, Jewish and Moslem — their interrelations and attitudes toward one-another.

The latest statistics showed that Roman Jews constitute the city's largest single religious group after Catholics. There are nearly three million Catholics in

Rome, 15,000 "official" Jews and at least another 15,000 "unofficial" Jews who do not pay the community tithe. There are only 4,000 Protestants. Moslems number between 15-20,000 and hail from 22 different countries. Many are illegal immigrants who speak little Italian.

The survey was undertaken because, in the opinion of the city fathers, Rome, no longer an exclusively Catholic domain, must come to terms with and understand the needs of its other religious and ethnic groups.

The results were made public at a press conference at the City Hall. It was attended, among others, by Msgr. Pietro Rossano, Rector of the Pontifical Lateran University, representing the Catholic Church; Prof. Paolo Ricca, of the Waldensian Theological Faculty, representing Protestants; Chief Rabbi Elio Toaff of the Jewish community; and Prince Amini, president of the Moslem community.

'Intolerance' Index Compiled

The researchers compiled an "intolerance" index. About 17-18 percent of the Roman population expressed intolerance of others, disinterest or refusal to have relations with other religious or ethnic groups. The highest percentage of rejection was expressed toward Moslems (39 percent), followed by Protestants (31 percent); Chinese (27 percent) — although there are hardly any Chinese to be seen in Rome — and finally Jews (26 percent).

According to the survey, Christian-Jewish relations in Rome are far better than either community's relations with the Islamic population. Of 112 Christians who responded to the survey, 72.6 percent described their relations with Jews as satisfactory whereas only 36.6 percent felt the same way about Moslems.

Among Jews, 79 percent considered their relations with other Romans to be good to excellent. Only six percent of the Jews said they felt "rejected" or "considered different" by their Christian neighbors. Moslems, on the other hand, seem to live in near total isolation. Sixty-three percent admitted to having no Jewish or Christian friends.

Of all the groups, Jews showed the greatest willingness to engage in interreligious dialogue (50 percent) while only 24 percent of the Christian respondents were interested in joining interfaith groups.

Stereotypes of Jews Uncovered

Christian and Moslem stereotypes of Jews were uncovered by the survey. The most prevalent stereotype among Christians is that Jews are pious but stingy. Moslems saw Jews as "exploiters." The Jews have a self-image: 94 percent of them felt that others see them as excelling in business, close-knit and ever ready to help fellow Jews; 79 percent think others see them as stingy but intelligent.

The survey showed that Jews consider the family to be "sacred" and feel a need for religious identity to a far greater extent than Christians.

Jewish attachment to Israel is strong in the Roman community. Only five percent of the Jews interviewed had no interest in Israel; 45 percent had lived in Israel for a time; 28 percent visited there once and 22 percent said they planned to visit Israel. As many as 44 percent of Roman Jews said they could speak, write or at least understand modern Hebrew.

One conclusion that emerged from the survey is that the Roman population's basic tolerance was paralleled by a lack of curiosity about others.

4 NEW IMMIGRANTS FROM ETHIOPIA AMONG 6 PEOPLE KILLED IN HIGHWAY ACCIDENT By Hugh Orgel

TEL AVIV, Jan. 2 (JTA) — Four new immigrants from Ethiopia were among six people killed yesterday in the first major road accident of 1985. Two people were killed and seven were seriously injured in six other road accidents during the first 24 hours of the new year.

The total for the day was eight fatalities and 20 injuries. The number of fatalities was increased to nine by the death of an Arab boy injured in a road accident last Friday.

The rash of highway carnage was an ironic counterpoint to Transport Minister Haim Corfu's upbeat announcement on New Year's Eve that there had been a five percent drop in road accidents in 1984, a 10 percent decline in road fatalities and a six percent drop in injuries from road accidents.

The Ethiopian Jews, a new immigrant from Argentina, and a sixth person were killed when a truck carrying workers from new immigrant centers in the Beersheba area to Sderot, ran off the road. As the driver tried to get back on the pavement, his vehicle overturned and skidded on its side into the opposite lane where it was hit by an army bus. Three of the bus passengers were slightly injured.

BRITISH CABINET PAPERS REVEAL THAT THE BRITISH ARMY HAD PLAN TO INVADE ISRAEL 30 YEARS AGO By Maurice Samuelson

LONDON, Jan. 2 (JTA) — The British army had a plan to invade Israel 30 years ago in defense of Jordan but Prime Minister Winston Churchill insisted it be kept secret. This emerged from British Cabinet papers of 1954 released this week for scrutiny by journalists and historians.

British Chiefs of Staff also had plans to invade Egypt and Iraq in 1954, a year dominated by discussions on the future of the 80,000 British troops in the Suez Canal zone. At the time, Britain also had troops stationed in Cyprus, Libya, Jordan, Iraq, Kuwait and the Trucial sheikhdoms on the Persian Gulf.

On March 31, 1954, Lord Alexander of Tunis, the Defense Minister, told the Cabinet that the Chiefs of Staff had prepared a plan for military action, which involved the invasion of Israel by British forces from the south — if Israel attacked Jordan.

Churchill's only comment was that he was much relieved to hear that the Chiefs of Staff were not in favor of disclosing to the Jordanians a plan involving British invasion of Israel. Leakage of such a plan would have had very grave consequences.

Discussion of the invasion plan in the Cabinet followed an earlier decision that Anthony Eden, then Foreign Secretary, should act as secret mediator between Jordan and Israel over border clashes.

The plan to invade Israel has to be seen in the light of Britain's contractual obligations to defend members of the Arab League and that Israel's borders were then the scene of frequent attacks by Arab infiltrators and Israeli retaliation raids.

In his memoirs describing the background to the 1956 tripartite attack on Egypt, the late Moshe Dayan, then Israel's Chief of Staff, showed that Israel fully

recognized the possibility of a clash with British forces if there had been a major war with Jordan. At that time, Britain also remained committed to the tripartite pact of 1950 in which, together with France and the U.S. it guaranteed the integrity of Israel and its Arab neighbors.

KNESSET UNIT DEFERS DECISION ON WHETHER FULL-SCALE INQUIRY INTO BANK SCANDAL SHOULD BE UNDERTAKEN

By David Landau

JERUSALEM, Jan. 2 (JTA) — The Knesset's Control Committee, after a heated debate today, deferred decision on whether to recommend a full-scale judicial inquiry into the conduct of Israel's largest commercial banks.

The banks and their top executives were accused by State Comptroller Yitzhak Tunik of manipulating the price of bank shares which collapsed in October, 1983 with severe financial losses to investors and the State. Tunik, who released his report here Monday, also accused the heads of government financial institutions of failing to halt what he called "irresponsible adventurism" by the banks which was bound to end in disaster.

The Cabinet has the authority to establish a judicial committee of inquiry. Premier Shimon Peres has already named a three-man panel, consisting of two Cabinet ministers and a Knesset member to "coordinate" government-Knesset action on the Comptroller's report.

Bitter Arguments In Knesset Committee

But the Knesset committee was embroiled in bitter arguments today over whether to have the inquiry set up at once or to delay it. Most Labor Party and Mapam members insisted on speedy action. Others however, thought the inquiry should wait to allow the bank officials involved to resign voluntarily, the idea being to mute if not defuse the scandal.

Attorney General Yitzhak Zamir told the committee that there appears to be evidence that senior bank officials exploited privileged information for their personal gain in the period immediately before the crash. The price of bank shares plummeted on October 6, 1983 when rumors of a sharp new devaluation of the Shekel triggered a massive sell-off by investors in order to buy Dollars.

Zamir said he was looking into this evidence and also into the questions raised by the Comptroller of possible criminal acts in the course of the manipulation. The banks are accused of deliberately buying and selling their shares to inflate the prices and induce more investors to buy.

According to the report, this practice began in the 1970's with the result that, by the early 1980's, the price of bank shares bore no relationship to the banks' actual assets.

Urges Immediate Full-Scale Inquiry

Tunik, who was present at the committee session, urged the members to set up a full-scale inquiry at once. He was backed by Zamir who had recommended an inquiry into banking practices more than a year ago. A judicial commission would be empowered to investigate non-governmental institutions such as banks and the stock exchange which are outside the purview of the State Comptroller.

Committee members who favored delay contended that if a commission is empaneled immediately the bank executives would feel no pressure on them to "draw personal conclusions" and resign. They did not explain why a delay might cause them to "do the right thing."

Minister of Energy and Infrastructure Moshe Shahal (Labor) demanded today that the heads of all of the banks in question resign immediately. Whether or not they were personally at fault, they are the responsible executives, he said. Shahal, along with Justice Minister Moshe Nissim (Likud-Liberal) and Labor MK David Libai, chairman of the Control Committee, comprise the coordinating committee appointed by Peres Monday night.

So far the bankers have kept mum. Acting in close coordination, they have refused public comment on the Comptroller's report.

According to some sources, if the bankers eventually appear before an inquiry commission their likely line of defense will be that they were pressed into inflating the price of bank shares by the Likud-led government, which was in office in 1983, as a means of contributing to the government's overriding desire to create an illusion of prosperity and well being among the electorate.

It was learned, meanwhile, that dozens of investors have brought lawsuits against the banks, charging they were misled by promises of quick profits when they bought bank shares. When the crisis broke, the country's four largest banks — Bank Leumi, Bank Hapoalim, Israel Discount Bank and United Mizrahi Bank — had run out of funds to support the prices of their shares.

PHYLLIS FRANK DEAD AT 51

NEW YORK, Jan. 2 (JTA) — Phyllis Frank, a long-time leader in Zionist causes and Jewish communal affairs, died yesterday at her home in Silver Spring, Md. after a long illness. She was 51 years old.

At her death she was national vice president for Zionist-American affairs of Pioneer Women/Na'amat, the Women's Labor Zionist Organization of America, of which she has been a member for 30 years. She formerly served the organization as vice president of program and education.

Frank was a past president of the Jewish Community Council of Greater Washington and was a board member of the American Zionist Federation and the Jewish Social Service Agency of Greater Washington. She served as a delegate to the most recent meetings of the World Zionist Congress and the World Labor Zionist Movement executive.

TECHNION AWARDS FIRST SAKHAROV PRIZE

HAIFA, Jan. 2 (JTA) — The First Annual Andrei Sakharov Prize for Science and Technology Journalism was presented to Yerach Tal, science correspondent for Haaretz for his reportage on environmental issues and their impact on society. Sponsored by the Technion-Israel Institute of Technology, the \$1,000 prize was initiated this year in conjunction with the university's 60th anniversary celebration to honor those journalists who have made significant contributions towards sharpening the public's awareness and understanding of current scientific and technological advances. Tal has been the science correspondent for Haaretz since 1976.

**SPECIAL TO THE JTA
U.S. SEPHARDIC JEWS URGED TO
REVIVE THEIR TRADITION BEFORE THEY
ASSIMILATE INTO ASHKENAZIC COMMUNITY**
By Jean Weiss

PHILADELPHIA, Jan. 2 (JTA) -- Just as it is important for the Ashkenazic Jewish community in the United States to better understand Sephardic Jews as they rise to positions of influence in Israel, so too is it important for Sephardim in the U.S. to revive their traditions before they assimilate into the larger, dominant U.S. Ashkenazic community, said the recently appointed executive director of the American Sephardi Federation (ASF), Rabbi Joshua Toledano.

"There is more than one aspect to Judaism than the norm accepted by the Ashkenazic community," he told the Jewish Telegraphic Agency. Since more than 60 percent of the Jews in Israel are Sephardic, Toledano said he predicts there will be a Sephardic Prime Minister in the not too distant future.

Because of the population trend, Israel will become a "Middle Eastern" country instead of a "European" country in the Middle East, the rabbi said. Consequently, U.S. Ashkenazic Jews should be acquainted with the customs, traditions and heritage of their Sephardic brethren so they can interact better with them, said Toledano, the spiritual leader of Congregation Mikveh Israel in Philadelphia, the city's oldest synagogue (1740) and only Sephardic one.

Originally "Sephardim" were of Spanish and Portuguese descent. The term now includes Jews from Arab countries in the Middle East, he said. Ashkenazim came from Central and Eastern Europe.

A Mistake By Israel's Leadership

The 44-year-old Moroccan-born rabbi said, "negotiations with the Arabs would have had a different tone" if Sephardim, accustomed to the Arab mind, had played a larger role. "A mistake was made by the Israeli leadership by not involving more Sephardim and getting their input in decisions regarding the peace treaty with Egypt," Toledano said.

"Sephardim could have advised the leadership as to the best way to negotiate with the Arabs. Arabs don't sign contracts. Contracts are basically a European mode. That is why the Egyptians are carrying out the minimum requirements of the treaty rather than its spirit." The treaty with Lebanon was broken because of Arab disregard for contracts, he added.

From the late 1940's to the early 1960's, Sephardic immigrants arriving in Israel were poor and uneducated. They were considered the underclass, Toledano said. Only within the last decade has a better educated, younger generation started taking its place in Israel's economic, social and political spheres. An example is David Levy, a Deputy Prime Minister, Toledano pointed out.

The U.S. Ashkenazic community already is showing greater interest in Sephardim as a result of Israel's demographic shift and because a growing number of Sephardic Israelis now are living in the U.S., he said.

Toledano, who comes from an unbroken line of 45 generations of rabbis dating back to pre-Inquisition Spain, recalled the dominance that Sephardic scholars had in teaching, philosophy and writing,

including biblical commentaries and poetry, through the 15th century. It was not until the 16th century that Ashkenazic scholars started coming to the forefront.

Remembering The Past

The rabbi urged the 250,000 to 300,000 Sephardim in the U.S. to remember their past and to keep alive their customs and traditions. Sephardim were the first Jewish settlers in the U.S., but were soon outnumbered by Ashkenazim. The largest immigration of Sephardim began at the end of the 1800s and continued until 1924. About 50,000 people arrived from the Balkans, Turkey, Yugoslavia and Greece. They settled in New York and Philadelphia.

"To some extent they were unwanted by local Jewish welfare boards because they were less intellectual and less fortunate than other new arrivals," Toledano said. Their Ashkenazic co-religionists could not identify with them because they did not speak Yiddish, he added. Some Sephardim, therefore, headed West and settled in Seattle. Today, Seattle has the second largest Sephardic community in the U.S. after New York.

"For immigrants in the United States less than 100 years, spread around the country and busy trying to make a living, they could never get organized," he said.

The Role Of The ASF

Discussing the role of the ASF, Toledano described it as a cultural and communal organization designed "to inform Sephardic Jews about their Sephardic heritage. Its goals are to preserve Sephardic culture, to promote programs, activities and institutions of Sephardic interest and work hand in hand with local Federations in support of the Jewish community in general and Israel in particular." He said the ASF is non-political and does not support any Israeli political party.

The ASF sponsors seminars and conferences and has established a speakers bureau, said Toledano, who is a visiting professor of Sephardic studies at Yeshiva University. Besides publishing books, the ASF provides needy Sephardic writers with scholarships for work relating to the Sephardic community. A young leadership program has been established.

Toledano stressed that the ASF "is not in competition with other Jewish Federations and is not trying to take away from other fundraising efforts nor fragment the Jewish community."

"Many Sephardic Jews are now unknown to local Federations," he said. In an effort to reach Sephardim alienated from the Jewish community at large, a "Sephardic desk" has been established at local Jewish Federations where there is a sizeable Sephardic community, Toledano said. "This will provide support for fund-raising activities and bring to attention the needs of the Sephardic community in that city."

The 15-year-old ASF "has had its ups and downs in terms of organization and is trying to get cohesive," Toledano said. "As the (Sephardic) community became more organized nationwide, the need for a headquarters became more apparent." Toledano commutes from Philadelphia weekly to the ASF's New York headquarters.

To help the ASF become established, Toledano said he is forfeiting his salary and is volunteering his time. A strong ASF will help those who have "lost" their roots re-establish their identity, he said.