

ECONOMIC CUTBACKS AND REFORMS LOOMING IN THE FACE OF AN UNEXPECTED 19.4 PERCENT HIKE IN APRIL'S C.O.L.

By Gil Sedan

JERUSALEM, May 16 (JTA) -- Stunned by an unexpected 19.4 percent rise in the April consumer price index, the political climate in Israel seemed ripe today for drastic economic cutbacks and reforms. They are expected to emerge at this Sunday's Cabinet meeting as decisions to implement measures decided upon months ago but delayed for fear of political fallout.

Since the bad news about inflation was released yesterday, the economic ministers have been meeting and the leadership of the Labor and Likud components of the national unity coalition have been huddling separately.

Each side is seeking an economic action program acceptable to the entire Cabinet, or a substantial majority of it. In this instance, both Labor and Likud realize that bi-partisanship is essential because their constituencies will not be happy with many of the programs.

President Chaim Herzog today urged the public to work harder during the economic crisis and suggested that economists give less advice.

Situation Is Called Critical

Gad Yaacobi, Minister of Economic Planning, called the situation critical. He told a meeting of the economic ministers that it was high time for a comprehensive economic program to tackle the crisis as a whole rather than trying to deal with it piecemeal. Spokesmen for both Labor and Likud seemed to agree.

What Israelis may expect from Sunday's Cabinet meeting is larger cuts in government subsidies; new taxes to limit cash in circulation; and a major increase in the \$150 per capita travel tax instituted earlier this year. Premier Shimon Peres and Finance Minister Yitzhak Mordechai reportedly want to raise the tax on travel abroad to \$400-\$500 per person.

ONE MILLION KIDS HAVE UNSCHEDULED VACATION AS TEACHERS STRIKE

By Hugh Orgel

TEL AVIV, May 16 (JTA) -- A dispute between teachers and the Education Ministry meant no classes today for about one million school children from kindergarten through high school ages.

The teachers, demanding the immediate withdrawal of some 3,500 dismissal notices sent to colleagues, stayed off the job in kindergartens and elementary schools and in some high schools and junior high schools. The Education Ministry insists it sent no dismissal notices, merely "warnings" to non-tenured teachers or those found unsatisfactory during the past school year.

The elementary teachers were reported ready to go back to work tomorrow. Education Minister Yitzhak Navon met today with the representatives of two rival secondary school teachers' unions, one affiliated with Histadrut and the other independent.

Both have taken job actions this week to protest what they fear will be large scale dismissals because of cuts in the education budget. Their action comes at a sensitive time for students who must take written and oral tests for high school graduation and for university entry. The teachers conducted one written examination this week but refused to give the orals. They said if their demands are not met, their only weapon is to block the matriculation exams.

Meanwhile, striking nurses and administrative employees who disrupted emergency rooms at government hospitals yesterday, rejected a back-to-work order issued by a Jerusalem labor court this morning. They sent a message to Health Minister Mordechai Gur that they cannot work without sufficient staff and adequate salaries.

JEWISH AGENCIES OF GREATER PHILLY CONTRIBUTE \$10,000 TO AID PEOPLE LEFT HOMELESS BY BLAZE IN CULT HOUSE

PHILADELPHIA, May 16 (JTA) -- Bennett Aaron, president of the Federation of Jewish Agencies of Greater Philadelphia, announced today that the Federation has delivered a \$10,000 check to Mayor Wilson Goode of Philadelphia as its contribution to the fund to assist some 225 people who lost their homes in a fire last Monday that resulted from police action against the fanatical cult, MOVE.

Aaron told the Jewish Telegraphic Agency that the Federation has also offered the services of its institutions and agencies to assist the homeless families. He said the Jewish Community Relations Council (JCRC) of Philadelphia and the Philadelphia Board of Rabbis have issued an "action alert" calling on all Jews in Philadelphia to contribute to the assistance fund.

Other public agencies and private groups have also rallied to the aid of the people left homeless when the fire, that erupted after a police helicopter dropped an explosive charge on the fortified headquarters and residence of the MOVE cult, engulfed a whole block destroying or badly damaging 61 row-houses. Eleven bodies, believed to be those of cult members, were found in the rubble of the MOVE house.

SENATE FOREIGN AID AUTHORIZATION BILL INCLUDES \$1.5 BILLION IN SUPPLEMENTAL ECONOMIC AID TO ISRAEL

By Judith Kohn

WASHINGTON, May 16 (JTA) -- The Senate last night passed a foreign aid authorization bill for fiscal 1986 which included \$1.5 billion in supplemental economic assistance to Israel as well as increases in military aid substantially above the fiscal 1985 level.

Debate on a House version—which authorizes the same level of economic and military aid for Israel as the Senate bill -- began today. But it appears likely to become bogged down over differences on military aid levels to other countries.

The foreign aid package for fiscal 1986 will provide a total of \$4.5 billion in aid to Israel, including the \$1.5 billion supplemental aid and \$1.8 billion in military grants -- a \$400 million increase over the fiscal 1985 level. Israel would receive \$3 billion in

fiscal 1987. Now that the Administration has concluded that Israel has made sufficient progress in implementing economic reforms to justify meeting its request for emergency supplemental aid, Israel is virtually assured of Congressional approval, if not through a comprehensive aid bill, then through amendments to a "continuing resolution" that carries over foreign aid levels from the preceding fiscal year into the new one. Unable to pass an actual aid bill in recent years, Congress has regularly resorted to the continuing resolution.

Although neither the aid to Israel -- nor to Egypt, which would be the only other country to receive supplementary assistance -- have met or are expected to meet resistance in Congress, an alternative bill to be introduced by Rep. William Broomfield (R. Mich.) would eliminate a clause that bases military sales to Jordan on "the expectation" that the Jordanians will enter into direct negotiations with Israel on the basis of United Nations Security Council Resolutions 242 and 338 and the Camp David accords.

The Broomfield version would remove the clause on Jordan from the bill but adopt it as a sense of Congress resolution.

U.S. OFFICIAL PREDICTS MIDDLE EAST PEACE PROGRESS THIS YEAR

By David Friedman

WASHINGTON, May 16 (JTA) -- Deputy Secretary of State Kenneth Dam predicted today that progress toward peace in the Middle East can be made this year.

"The United States shares the view of the key players in the region that 1985 can be a year of opportunity, if the parties take advantage of today's promising conditions," Dam said in a speech to the American Law Institute.

He noted that Secretary of State George Shultz, in his recent visit to Israel, Egypt and Jordan, found "difficulties; but he also found a positive atmosphere, a genuine sense of movement, a widely shared desire to see things move forward, and an increasing sense of the importance of finding a way to get negotiations going."

Dam added that when King Hussein of Jordan meets with President Reagan here on May 29, this "will provide yet another opportunity to improve the prospects for negotiations."

Basis For Optimism

Dam gave the reason for his optimism the "warming" of relations between Israel and Egypt and "a growing cooperative spirit and unity of purpose among the moderate Arab states" to seek peace. "Within the Palestinian community, we have seen a more realistic attitude," he noted, although he did not give any explanation of this comment.

Dam also stressed that "a strong, visible and permanent American commitment to Israel is essential in the search for peace. History demonstrates that movement toward peace can come only when no one in the Arab world or elsewhere has any doubt of the central reality that America's support for Israel can never be weakened."

As for Israel, "it will not change its policies in the face of military or terrorist threats, nor will the policies of the United States ever yield to terror or intimidation," Dam stressed.

"Let no one miss the point: there are no military options. There are no terrorist options. The only way to achieve progress is through negotiations."

The PLO attempt last month to stage a seaborne terrorist raid against Israel is unacceptable and can only obstruct movement towards peace. There will be no rewards for a strategy of attempting to shoot and negotiate at the same time."

Dam repeated the United States position that in agreeing to direct negotiations, neither Israel nor the Arabs should seek guarantees or preconditions. "The place to negotiate is at the bargaining table," he said.

WJC-EUROPEAN BRANCH URGES LEGISLATION TO OUTLAW ATTEMPTS TO WHITEWASH NAZI CRIMES OR DENY EXISTENCE OF HOLOCAUST

STRASBOURG, May 16 (JTA) -- The European branch of the World Jewish Congress called on its affiliates everywhere to press their respective governments for effective legislation that would outlaw any attempt to whitewash Nazi crimes or deny the horrors of the Holocaust.

Israel Singer, Secretary General of the WJC, addressed 200 delegates attending an observance of the 40th anniversary of the defeat of Nazi Germany. They represent the Jewish communities of 22 countries in Western and Eastern Europe, except the Soviet Union and Albania.

Singer referred to the May 5 visit by President Reagan and West German Chancellor Helmut Kohl to the Bitburg military cemetery as an example of "premeditated amnesia" that must not be allowed to recur.

The gathering was attended by the President of the European Parliament, Pierre Fimlin; Marcelino Oreja, Secretary General of the Council of Europe; the Absorption Minister of Israel, Jacob Tsur; and Deputy Foreign Minister Ronnie Milo.

The gathering included a visit to the site of the Struthoff concentration camp where wreaths were laid and kaddish was recited.

WEST BANK TOWN PLACED UNDER CURFEW

By Gil Sedan

JERUSALEM, May 16 (JTA) -- The West Bank town of Halhoul was placed under curfew as a large scale manhunt got underway for the attackers of an Egged bus in the vicinity last night.

A woman passenger suffered slight injuries from flying glass but no one else was hurt when the bus came under automatic fire between Hebron and Halhoul. The bus, enroute from Jerusalem to Kiryat Arba, sustained considerable damage.

The attack was linked to the date, May 15, which, by the Western calendar is the day after Israel proclaimed its independence in 1948. The last attack on an Israeli bus in the West Bank occurred on March 30, "Land Day," when Arabs protested the confiscation of Arab-owned land in Galilee by the Israeli authorities in 1976.

Jewish settlers, outraged by the attacks and the failure to capture the perpetrators, held an emergency meeting today during which they accused the security forces of laxity.

JERUSALEM (JTA) -- Police Minister Haim Barlev Thursday approved the recommended dismissal of Border Police officer Meir Lavie for allowing prisoners in his custody to stop off for a swim while enroute from a courthouse to jail. The prisoners are alleged members of a Jewish terrorist underground charged with acts of criminal violence and criminal conspiracy against Arab civilians in the West Bank and Islamic shrines in East Jerusalem.

**SPECIAL TO THE JTA
CHIEF U.S. DELEGATE TO HUMAN
RIGHTS CONFERENCE INTENDS TO RAISE
ISSUE OF SOVIET TREATMENT OF JEWS**
By Janice Arnold

OTTAWA, May 16 (JTA) -- The chief U.S. delegate to a major international conference to review compliance with the human rights sections of the Helsinki Final Act, Richard Schifter, has indicated he will raise the issue of the Soviet Union's treatment of its Jewish minority.

Jewish leaders from the United States, Europe, Israel, Australia as well as Canada have been in Ottawa to urge Western delegates to the six-week Conference on Security and Co-operation in Europe (CSCE) meeting of human rights experts to put the plight of Soviet Jewry high on the agenda.

Human rights experts from the 35 signatory countries to the 1975 Helsinki Final Act are at the conference which is scheduled to conclude June 17. All European countries (excluding Albania and Andorra), the Soviet Union, U.S. and Canada signed the Helsinki accords which comprises three sections, or "baskets," one of which deals with human rights.

This is the first CSCE conference devoted exclusively to the human rights sections. Earlier review conferences have been held in Belgrade, Yugoslavia and Madrid, Spain.

Among the Jewish leaders who have come to Ottawa to meet with Western delegates are: Kenneth Bialkin, chairman, Conference of Presidents of Major American Jewish Organizations; Israel Singer, secretary-general, WJC Congress; Jacqueline Levine, chairman of the advisory board of the National Jewish Community Relations Advisory Council; Howard Friedman, president of the American Jewish Committee; Stephen Roth, of London, chairman of the Helsinki Monitoring Committee of the World Conference on Soviet Jewry; Zalman Abramov of Israel, co-chairman of World Jewish Congress, Israel Section; Claude Kelman of France, co-chairman of the European Conference on Soviet Jewry; and Isi Liebler, president of the Australian Jewish community and member of the International Council of the World Conference on Soviet Jewry.

Confident The Issue Will Be Raised Forcefully

At a press conference, Roth, who is also chairman of the Institute of Jewish Affairs in London, expressed confidence delegates from Western countries to the conference would raise the issue of Soviet Jewry "very forcefully."

These and other spokesmen for the Soviet Jewry issue will be in Ottawa periodically throughout the conference. The Canadian Committee for Soviet Jewry has non-governmental status at the conference.

However, at the demand of the Soviet bloc, the business sessions of the conference will be closed. Delegates are spending three weeks reviewing compliance with the accords and three weeks on recommendations and conclusions.

Statement From Dulzin

At the press conference held by the World Conference on Soviet Jewry (WCSJ), Abramov read a statement from Leon Dulzin, chairman of the World Zionist Organization and of the International Council of the WCSJ, which called upon the representatives of the Western countries assembled in Ottawa to "de-

monstrate their readiness to act on behalf of the Jews of the Soviet Union ... (who) are persecuted for their aspiration to emigrate to Israel, for their desire to live as Jews and for their efforts to study their language and culture."

Dulzin noted that there has been "almost total cessation" of Jewish emigration from the Soviet Union. Fewer than 1,000 Jews left in 1984.

"This drastic decline is not due, as Soviet sources claim, to the absence of requests from Jews for permission to leave, but is the result of an arbitrary halting of the granting of exit permits by the Soviet authorities."

The WCSJ is also distressed by the persecution of Jews who attempt to spread Jewish education and by the arrests of those who claim their right to emigrate. "Extreme alarm" was also expressed at the "scurrilous anti-Semitic campaign, camouflaged as anti-Zionism" being waged in the Soviet media. Particular outrage was voiced at the "outrageous and obscene" attempts to show collaboration between Zionists and Nazi Germany."

HERUT RAPS RA BAN OF 51 MKS

WASHINGTON, May 16 (JTA) -- Hart Hasten, president of the Herut Zionists of America, called on the Rabbinical Assembly of America (RA) today to repeal "at once" its resolution barring from appearing at Conservative synagogues the 51 Knesset members who voted to change Israel's Law of Return so that the validity of Reform and Conservative conversions would not have been accepted.

"We believe that this recommendation of the Rabbinical Assembly if implemented, will serve only to cause deep and dangerous divisions between the people of Israel and Conservative members of the American Jewish community," Hasten said in a statement released here.

The resolution adopted by the International organization of Conservative rabbis, said the 51 Knesset members who voted for the amendment, which was defeated, are "not welcome as speakers or honorees in the 850 Conservative synagogues which they have sought to discredit." The supporters of the amendment were members of the religious parties and Likud, including Herut Cabinet ministers Yitzhak Shamir, David Levy, Moshe Arens and Ariel Sharon.

"Regardless of whether or not the Rabbinical Assembly agrees or disagrees with the votes of members of the Israeli parliament on particular issues, it must be remembered that these members of the Knesset are elected in democratic process by the people of Israel, and are therefore representatives of the nation's citizens," Hasten said. "As free members of the Knesset they enjoy their basic and fundamental right vote their conscience on each and every issue before the parliament."

VIENNA (JTA) -- A memorial marker was erected and the park in front of the University of Vienna was named Sigmund Freud Park to honor the Vienna-born father of psychoanalysis. The marker, which carries the inscription, "The voice of sanity is soft," taken from one of Freud's works, was unveiled last week by Mayor Helmut Zilk. At the unveiling ceremony, Zilk said the park and the marker are intended to serve as an act of reconciliation by the city of Vienna with one of its greatest sons. "Sigmund Freud cannot be separated from this city," Zilk said. "He has formed the image of Vienna as no one else."

ARGENTINE JEWS CONCERNED OVER ANTI-SEMITISM AND WEAKENING OF ARGENTINE-ISRAELI RELATIONS

BUENOS AIRES, May 16 (JTA) -- A year-and-a-half after the democratic change in regime in Argentina, the recurrence of anti-Semitism and the weakening of Argentine-Israeli relations have come to be major concerns of Jewish communal leadership here, the World Jewish Congress reported today.

According to the Latin American branch of the WJC, the Jewish community remains one of the most enthusiastic supporters of the Alfonsín government but its enthusiasm has been tempered by its concern with not only rising anti-Semitism in the country but a perceptible shift away from Israel by Argentina in its Middle East policy.

These Jewish fears were expressed during a meeting between the Minister of Interior, Antonio Troccoli, and representatives of the DAIA, the representative body of Argentine Jewry and the WJC affiliate here. Following the meeting, the President of the DAIA, David Goldberg, told reporters:

"There is an anti-Semitic escalation in the country, with a clear anti-democratic connotation, which finds expression in attacks against synagogues, Jewish schools and cultural centers, graffiti in central streets, and anonymous telephone and written threats against leaders and other members of the community."

Goldberg noted that during a recent soccer game a Nazi banner with a swastika was raised. "All this does not just happen. It is a well-orchestrated campaign undertaken by anti-democratic sectors and this is why society as a whole must forcefully react to such incidents." He added: "We know that anti-Semitic organizations are active in Argentina."

Issue Of Alfonsín's Visit To Israel

The Jewish community has also been shaken by the non-fulfillment of the planned visit of President Raul Alfonsín to Israel, the WJC further reported. Since the beginning of the year it had been understood that the head of the Argentine government would visit the Jewish State in June either before or after his presence in Geneva to address the International Labor Organization.

However, hardly had Alfonsín ended his American tour when the Foreign Ministry announced that "it had never been foreseen that the President would make an official visit to Israel," which in turn led to a statement by the Israeli Ambassador that "the invitation (to visit Israel) had been accepted" but no definite date had been set.

Third World expectations about Argentine diplomacy evidently prevailed in this matter, and in particular, considerations concerning United Nations votes and the role which Argentina believes it can play among the non-aligned countries. Since the inauguration of the democratic government, on 74 UN issues concerning Israel, Argentina voted negatively on 71 cases and abstained on three.

"The DAIA faces the dilemma of maintaining its firm policy of support for the democratic regime of Argentina while necessarily finding the means to oppose those increasingly worrisome developments which are harmful to the community's well-being," Manuel Tenenbaum, director of the WJC Latin American branch, said.

ISAAC FRANCK DEAD AT 76

WASHINGTON, May 16 (JTA) -- Dr. Isaac

Franck, one of Washington's most influential Jewish leaders until his retirement in 1973, died here Tuesday at the age of 76. He suffered from cancer.

For 25 years, Franck was the executive vice president of the Jewish Community Council of Greater Washington. He served in that post from 1948 to 1973 and was instrumental in turning the organization into an influential body dealing with national and international issues.

When Franck took over his post, the Council had only 57 member organizations. When he left it had 173 member organizations, religious as well as secular.

An ardent supporter of Israel, Franck was also intensely involved in the struggle on behalf of Soviet Jewry. He was critical, however, of the Jackson Amendment which linked economic sanctions against Russia with its treatment of Soviet Jewish citizens.

Born in Russia, Franck arrived in the United States in 1923 and settled in New York City. He graduated from New York University and served as the executive director of the Jewish Community Councils in Brooklyn and Detroit before he moved to Washington as executive vice president of the Jewish Community Council of Greater Washington.

He received a doctorate in sociology and philosophy from the University of Maryland. He was known for his fluency in Hebrew, Yiddish, German, Russian and French in addition to English. After he left his activity in the Jewish Community Council, Franck lectured at various universities on philosophy and Jewish studies.

FELIX SHINNAR DEAD AT 80

JERUSALEM, May 16 (JTA) -- Dr. Felix Eliezer Shinnar, a diplomat and businessman instrumental in negotiating West Germany's reparations agreement with Israel in the 1950's, died in Tel Aviv this week at the age of 80.

Born in Stuttgart, Shinnar emigrated to Palestine in the early 1930s and went to work as a financial consultant for, among other clients, the newspaper Haaretz. Soon after Israel declared its independence in 1948 he was sent by the provisional government to Rumania to negotiate fuel purchases. Subsequently, he was appointed commercial attache at the Israel Embassy in London.

In the early 1950's, Shinnar and the late Dr. Giora Josephthal conducted negotiations in Holland with senior West German officials, which led to the reparations agreement. Israel had no diplomatic ties with Germany at the time.

Shinnar was named head of the Israel purchasing mission in Cologne where he supervised the acquisition of over \$700 million worth of material from Germany for Israel's industrial infrastructure. It included equipment for the Israel Electric Corp., Israel Railways, fuel and other raw material.

Despite the lack of formal diplomatic ties in that period, Shinnar held the personal rank of Ambassador and maintained important links with various sections of German official and economic society.

TEL AVIV (JTA) -- The Israel Philharmonic Orchestra and the New York Philharmonic will give a joint concert at the Mann Auditorium here June 30 under the baton of Zubin Mehta who is musical director of both orchestras. The Israel born American violinist Yitzhak Perlman will be the solo performer. Attendance will be limited to patrons donating a minimum of \$150 to the IPO Foundation.