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# **PERES, IN SURPRISE MOVE, ANNOUNCES 5 PERCENT DEVALUATION OF THE SHEKEL**

By Gil Sedan

JERUSALEM, Dec. 27 (JTA) -- Shimon Peres started his tenure as finance minister with a surprise 5 percent devaluation of the shekel on Tuesday.

It was considerably less than the widely anticipated 15 percent devaluation, said to be favored by the Bank of Israel, the country's central bank.

In fact, the move is a minor alteration. It now takes 1.68 shekels to buy a U.S. dollar, compared with 1.59 shekels before Tuesday.

An official announcement said the decision to devalue now was reached jointly by the finance minister and Bank of Israel Governor Michael Bruno.

Economic observers said it was intended to stem the rush to buy foreign currency, which peaked over the weekend as rumors flew that a major devaluation was imminent.

But it might not have that effect. The devaluation is not part of the comprehensive economic program Peres is expected to present shortly. The public, therefore, expects further devaluations and will continue to buy dollars, the observers said.

## **THE NEW ISRAELI CABINET**

NEW YORK, Dec. 27 (JTA) -- Following is a list of the 26 ministers who have been named so far to the new Israeli Cabinet. It presently includes 11 ministers each from Likud and Labor, and two ministers each from Shas and the National Religious Party.

Portfolio	Minister	Party
Prime Minister	Yitzhak Shamir	Likud
Finance*	Shimon Peres	Labor
Foreign Affairs	Moshe Arens	Likud
Defense	Yitzhak Rabin	Labor
Construction & Housing*	David Levy	Likud
Education & Culture*	Yitzhak Navon	Labor
Economics & Planning	Yitzhak Moda'i	Likud
Police	Haim Bar-Lev	Labor
Environmental Protection	Ronni Milo	Likud
Science & Development	Ezer Weizman	Labor
Justice	Dan Meridor	Likud
Communications	Gad Ya'acobi	Labor
Tourism	Gideon Patt	Likud
Agriculture	Avraham Katz-Oz	Labor
Transport	Moshe Katsav	Likud
Health	Ya'acov Tsur	Labor
Industry & Trade	Ariel Sharon	Likud
Energy & Infrastructure	Moshe Shahal	Labor
Interior	Arye Deri	Shas
Immigration & Absorption	Yitzhak Peretz	Shas
Religious Affairs	Zevulun Hammer	NRP
None	Ehud Olmert	Likud
None	Raphael Edri	Labor
None	Moshe Nissim	Likud
None	Mordechai Gur	Labor
None	Avner Shaki	NRP

\* is also vice premier

\* holds rank of deputy premier

Peres evidently did not consult Histadrut leaders before announcing the devaluation. He seems to have hoped the labor federation would accept the small decrease in the shekel's buying power without demanding a commensurate cost-of-living increment for wage-earners.

But Histadrut's initial reaction was negative. Haim Habersfeld, chairman of the trade unions department, said the devaluation was poorly timed and would cause an immediate 3 percent rise in the consumer price index, for which workers should be compensated.

Peres is consulting with Histadrut officials and leading economists to map out his long-term economic policy.

Meanwhile, the announced devaluation halted trading on the Tel Aviv Stock Exchange Tuesday. That, and a Bank of Israel proposal for a capital gains tax, sent the market down by about 10 percent.

## **ISRAEL URGING HUSSEIN TO JOIN PEACE TALKS WITH NO PRECONDITIONS**

By Howard Rosenberg

WASHINGTON, Dec. 27 (JTA) -- Israel is again urging Jordan's King Hussein to get involved in the peace process.

In a message to be delivered to Hussein on Thursday, Israel apparently will reiterate its longstanding invitation for him to enter peace negotiations without preconditions.

The message, reportedly from Prime Minister Yitzhak Shamir or Foreign Minister Moshe Arens, will be forwarded to the king Thursday by U.S. Sen. John Rockefeller IV (D-W.V.), who is currently visiting the Middle East.

Yossi Gal, spokesman at the Israeli Embassy here, said Tuesday he did not "know anything about the specific message" contained, except to cite a similar report in the Israeli daily newspaper Maariv.

Lane Bailey, Rockefeller's administrative assistant, said Tuesday that he has not been directly in touch with the senator, but that State Department officials in Washington told him that the message deals specifically with Hussein, not with Egyptian President Hosni Mubarak, who expressed an interest over the weekend in visiting Israel.

Shamir, who favors direct talks between Israel and its neighbors as a means of resolving the Arab-Israeli conflict, has made similar overtures to Hussein in the past, according to William Pierce, a spokesman for the State Department's Bureau of Near East and South Asian Affairs.

"This would not be the first time the prime minister has said that," Pierce said. He has conveyed such a message "at least one or two times over the past year."

The prime minister is said to be currently at work on a new peace initiative.

Bailey said his boss left for Israel Dec. 23, and met with Shamir, Arens, and Vice Premier Shimon Peres earlier in the week.

Rockefeller goes to Jordan on Wednesday and will return to the United States Dec. 31, Bailey said. The meeting with Hussein is scheduled for Thursday morning. The visit is Rockefeller's first to the Middle East, Bailey added.

## BIDDING FAREWELL, PICKERING WARNS MIDEAST STATUS QUO CAN'T CONTINUE

By Hugh Orgel

TEL AVIV, Dec. 27 (JTA) -- Outgoing U.S. Ambassador Thomas Pickering warned Monday that the status quo in the Middle East is too dangerous to be allowed to continue.

He maintained at a farewell news conference here and in television interviews that there is now a one-time opportunity to end violence and begin contacts between the opposing parties.

He said he is sure Prime Minister Yitzhak Shamir will follow through on his promise to offer a new peace initiative.

Pickering, who is slated to become U.S. ambassador to the United Nations, reiterated that the American dialogue with the Palestine Liberation Organization is just that -- a dialogue -- and nothing more.

"It doesn't involve such things as the recognition of an independent Palestinian state," he said, pledging the talks would be cut off if the PLO resumed terrorist acts.

But the envoy acknowledged that the United States and Israel "have a different perception of the dialogue with the PLO."

The dialogue was initiated only after the United States was convinced that PLO leader Yasir Arafat had met the conditions demanded by Washington for contact with the PLO, Pickering said.

Israel was informed of the American decision only a day or so in advance.

Pickering sent a farewell message to Shamir on Sunday, expressing his "great pleasure working with you in this country."

He thanked the prime minister for being "unfailingly helpful to me personally and deeply supportive of the American relationship."

Pickering said he was proud to have been associated during his tenure "with a number of forward steps in the U.S.-Israeli relationship."

He mentioned the memorandum of understanding on strategic cooperation.

## TERRORISTS PLOTTING INFILTRATION BY LAND AND SEA ARE THWARTED

By Hugh Orgel

TEL AVIV, Dec. 27 (JTA) -- Three heavily armed terrorists were killed Sunday night by an Israel Defense Force patrol in southern Lebanon, less than 500 yards from Kibbutz Manara on the Israeli border.

Three other terrorists were drowned Saturday while attempting to infiltrate Israel by sea.

The IDF said a paratroop patrol spotted would-be infiltrators from just outside the southern Lebanon security zone and opened fire, killing three of them without sustaining casualties.

The IDF said there may have been other members of the gang who got away.

A search of the area uncovered Kalachnikov assault rifles, anti-tank grenade launchers, ammunition and leaflets demanding the release of Palestinian prisoners in exchange for hostages the infiltrators planned to take.

Security sources in southern Lebanon believe the attempted attack on Kibbutz Manara was an effort by Arab rejectionists to scuttle the peace offensive of Palestine Liberation Organization leader Yasir Arafat.

Some sources believe Syria was behind the operation.

Abu Nidal's anti-Arafat Fatah Revolutionary Council put out a communique in Lebanon claiming its men were on a suicide mission to Manara.

It claimed they "stormed a military barracks in the Zionist settlement" and killed "several Israeli soldiers."

Reports of the drowning of three terrorists Saturday came from Lebanon. Their rubber dinghy, loaded with weapons, collapsed or capsized in heavy seas off the Lebanese coast at Jiyeh, 25 miles south of Beirut.

The bodies of three men are missing. A fourth survived and returned to his base in West Beirut, the report said. It said the dinghy belonged to the Damascus-based Popular Struggle Front led by Samir Gosheh.

## UPRISING IN THE TERRITORIES IS DEPENDENT ON FOREIGN FUNDS

By Hugh Orgel

TEL AVIV, Dec. 27 (JTA) -- The Palestine Liberation Organization must pump \$600 million per annum into the administered territories to keep the intifada going, Haaretz reported Tuesday, citing a recently published PLO document.

But another report in the newspaper said Israeli bankers claim that continuation of the Palestinian uprising does not require the transfer of foreign money, and they are not at all certain the PLO is making such transfers.

A separate article in Haaretz said that until the uprising began a year ago in the West Bank and Gaza Strip, a substantial portion of the money earmarked for public works in the territories was being used almost openly by the PLO to acquire political power.

The paper said that before the intifada, funds for municipalities and various public institutions came from several sources.

These included the Israeli civil administration budget, some \$80 million a year in allocations from Jordan, some \$75 million in annual aid from the United Nations Relief and Works Agency, and economic assistance from Arab countries, the United States and other foreign sources.

Most of that money went to the leadership and members of organizations that identify with the PLO or other Palestinian nationalist groups, Haaretz said.

Between 1979 and 1983, \$7.5 million was paid to compensate Palestinians whose homes were demolished.

Another \$7.5 million was spent on "national scholarships." Some \$73 million went for education in the territories and \$67 million for housing.

Lesser sums were spent to subsidize workers organizations, community groups, student associations, women's groups, religious organizations, youth movements and professional organizations, including Arab journalists in East Jerusalem, the report said.

Several months after the outbreak of the intifada, the Defense Ministry clamped down on the entry of funds into the territories.

The civil administration reduced from 2,000 to 200 Jordanian dinars the amount of cash a resident of the territories could bring in over the Jordan River bridges without providing an explanation.

Someone carrying up to 500 Jordanian dinars (approximately \$1,000) had no trouble, but those with larger amounts had a hard time re-entering the territories, Haaretz said.

**B'NAI B'RITH CHAPTER BEGUN IN MOSCOW;  
TALKS COULD LEAD TO OPENING OFFICE**

WASHINGTON, Dec. 27 (JTA) -- Thirty-eight leaders of the Moscow Jewish community have founded the first unit of B'nai B'rith in the Soviet Union, B'nai B'rith International reported here Tuesday.

In addition, a delegation of American Jewish leaders, in discussions with Soviet officials in Moscow this month, raised the possibility of opening B'nai B'rith offices in Moscow and other cities in the Soviet Union.

The B'nai B'rith chapter was organized by a delegation that visited the Soviet Union Dec. 12 to 19. It was headed by Seymour Reich, international president of B'nai B'rith.

A spokesman for the organization told the Jewish Telegraphic Agency that the Soviet Union now becomes the 42nd country worldwide to have a B'nai B'rith presence.

He said the questions of a charter, facilities and offices for the new unit are still pending.

B'nai B'rith does not claim to be the first international Jewish organization to embrace Jews living in the Soviet Union.

The World Emunah Women of Israel inaugurated chapters in Leningrad and Moscow last Aug. 1, according to a report from Jerusalem.

The group led by Reich met with high-ranking officials representing the Culture and Foreign Affairs ministries, and with Konstantin Kharchev, chairman of the Soviet State Council on Religious Affairs.

According to Reich, Soviet authorities agreed to enact legislation setting specific limits on how long a "citizen" may be denied an exit visa on grounds of knowledge of state secrets.

Officials agreed to ease the requirement that all relatives of a person must approve emigration before a visa is issued.

**Release of Refuseniks**

B'nai B'rith asked for the immediate release of all refuseniks and a "systematic, substantial and sustained emigration process involving new applicants."

Reich reported that the authorities promised to relax cultural restrictions, including prohibitions on the teaching of Hebrew. B'nai B'rith urged that Hebrew be designated the official language of the Jewish minority.

Permission was granted in principle to allow foreign rabbis to serve communities in the USSR, Reich said.

He said another initiative involved proposed exchanges and visits of Soviet youth and American Jewish teen-agers affiliated with the B'nai B'rith Youth Organization.

Discussions also focused on the registration and certification of Hebrew teachers, the publication of Jewish books in the Russian language and exchanges of exhibits.

The delegation discussed the Arab-Israeli conflict with Soviet officials and Moscow's desire to host a world human rights conference.

Reich said the deputy procurator general, Vladimir Andreyev, promised the group judicial cooperation regarding Nazi war criminals and a full accounting soon of the case of Raoul Wallenberg, the Swedish diplomat arrested by the Red Army in Budapest in 1945.

Reich said the delegation was told that the notoriously anti-Semitic organization Pamyat was not state-sanctioned.

**RABBIS FROM MOSCOW AND LENINGRAD  
ARRIVE ON FIRST VISIT TO ISRAEL**

By Hugh Orgel

TEL AVIV, Dec. 27 (JTA) -- The chief rabbis of Moscow and Leningrad arrived in Israel Tuesday, in what is believed to be the first visit of Soviet rabbis to the Jewish state.

Rabbi Adolph Shayelevich of Moscow and Rabbi Haim Levitis of Leningrad arrived at the invitation of the Great Synagogue in Tel Aviv. The chief rabbi of Odessa was originally also scheduled to arrive with the delegation. It could not immediately be confirmed if he arrived with the others.

Avraham Chetroni, president of the synagogue, said the invitations had been sent annually for some years.

"We cabled an invitation to Moscow five months ago, but only now has an acceptance arrived."

"We received a phone call from Moscow two weeks ago informing us they would be arriving today," he said.

The Soviet Union broke off ties with Israel following the 1967 Six-Day War, but there has been an increase in diplomatic and cultural exchanges over the last year.

**SOVIETS OFFER HOOP PACKAGE**

By Hugh Orgel

TEL AVIV, Dec. 27 (JTA) -- The Soviet Union has approved the sale off 400 package tours to Israeli fans who want to watch the Tel Aviv Maccabi basketball team play the CSKA Red Army team in Moscow Jan. 12.

The tours, costing between \$1,200 and \$1,550, include entry visa, air fare, lodgings, sightseeing and admission to the games.

The Soviet hoopsters will play a rematch in Tel Aviv next March.

**STORM HITS ISRAEL, SWEEPING SHIP AWAY**

By Hugh Orgel

TEL AVIV, Dec. 27 (JTA) -- An 8,000-ton Dutch freighter was swept to sea from its anchorage at the port of Ashdod by a fierce storm Monday and grounded on a reef off Palmahim beach, south of Tel Aviv.

Israeli navy divers managed to put a line on the stricken vessel and rescued its 17-member crew, which consisted of Israelis, Yugoslavs, Turks and Filipinos.

The 20-year-old ship, the Rocky, was said to be a total loss.

It had just completed discharging a cargo of timber, iron and sugar when heavy seas snapped the chains of its two anchors, each of which weighed seven and a half tons.

The incident was the most spectacular of the 24-hour winter storm that lashed Israel with high winds, torrential rains, freezing temperatures and snow in Jerusalem and Safed.

Winds gusted at close to 80 mph, ripping down telephone and power lines, uprooting trees and sending rooftop solar heating units spiraling skyward.

Many traffic signals were knocked out and roads were flooded in low-lying areas. Twelve-foot waves were reported along the coast.

The wind and rain abated Tuesday, but meteorologists are forecasting another storm later in the week.

## A SYMBOL OF JEWISH ETHNIC PRIDE IS ACQUITTED OF CONSPIRACY, FRAUD

By Elli Wohlgeleenter

NEW YORK, Dec. 27 (JTA) -- When a Manhattan jury last week cleared Bess Myerson of conspiracy and fraud charges, it helped restore her tarnished image as a symbol of accomplishment and a source of ethnic pride to a generation of immigrant Americans.

The former Miss America was found not guilty last Thursday on six counts of conspiracy, fraud, bribery and obstruction of justice.

The central point of the prosecutors' case was that 64-year-old Myerson had conspired with her lover, Carl Capasso, and former state Supreme Court Justice Hortense Gabel in a scheme to reduce Capasso's divorce payments in a case being heard by Gabel.

But the six men and six women found the evidence to be circumstantial and cleared the three defendants on all counts, in a case that came to be known in the New York tabloids as the "Bess Mess" trial.

"I'm grateful for the American judicial system and I thank the jury for exonerating me," said Myerson, speaking on the steps of the court after the verdict was read.

Born and raised in the Bronx, Myerson rose to national prominence in 1945 when she became the first and last Jew to win the Miss America contest. Soon after, she began lecturing across America for the Anti-Defamation League of B'nai B'rith on the subject of anti-Semitism.

### Symbol Of Triumph

But life for the rich, beautiful and successful Myerson was not all glamor: A year after winning her Miss America crown, she was married for the first time to a man who turned out to be an abusive alcoholic.

She eventually divorced him and brought up their child alone, was remarried and divorced again. She also successfully fought a bout with cancer.

Myerson was named commissioner of consumer affairs during the administration of New York Mayor John Lindsay, and was commissioner of cultural affairs under Mayor Ed Koch from 1983 to 1987.

But it was her winning the Miss America crown at the end of World War II that gave immigrant Jews a unique symbol of identification.

"She meant several things," author Kate Simon told the Jewish Telegraphic Agency. "At her peak, she meant triumph. She was a source of pride. She also meant a bond to the Jews when she worked for B'nai B'rith and ADL. She was a talented girl, a thing of pride."

But when Myerson began to get into trouble, Simon said she was rejected. "Not rejected by Jews, but her reputation, her stature as a Jewish woman, must have been diminished."

Arnold Forster, general counsel for the ADL for the last 46 years and the man who recruited Myerson for her cross-country speaking tours, said, "We were proud not that she had won this contest, although talent -- her piano playing-- played a large role.

"Our pride came in the time she gave against bigotry," when she spoke on the topic: "You Can't Be Beautiful and Hate."

"The children loved her, the students loved her," Forster said. "She conveyed a sense of accomplishment, of goodness, and she took them

along the path of an appreciation of democracy. Our appreciation of her was her public service, and her service to the Jewish community."

Simon agreed. "Her achievement was her jobs with Lindsay and Koch, that really raised her. She did a great deal of lecturing on anti-racism -- she was a true liberal."

### 'Soap Opera, Not Trial'

Not everyone saw it that way. Feminist Betty Friedan said Myerson "never did anything for the women's movement," and that she was a "tragic example of self-destruction."

Simon said she was afraid that if Myerson had been found guilty, "that would bury her. She would disappear as a symbol of Jewish womanhood, of Jewish women who achieved."

Forster said he would not judge her in any way, "except to say how sad I am what has befallen her. Whatever judgment will be will be from her peers, the courtroom and the man upstairs."

The jury returned its verdict after deliberating 37 hours over four days, following two months of testimony and a week of summation, in a trial that defense attorneys branded as "a soap opera, not a criminal trial."

Some jurors said after the trial that they felt there was some illegality in the case, but that the prosecution had not presented enough clear-cut evidence to prove its case.

The prosecution brought 34 witnesses in an effort to show that Myerson gave a \$19,000 a year job in New York's Cultural Affairs Department to Gabel's daughter, Sukhreet, in order to influence the judge to reduce Capasso's alimony payments from \$1,500 a week to \$500.

Perhaps the most unusual aspect of the trial occurred when Sukhreet Gabel testified for nine days against her mother, telling the court how she taped conversations with her mother and brought some of her mother's documents to the prosecutor.

The case also saw New York Mayor Ed Koch testify against his friend of 25 years, who was considered instrumental in helping Koch first get elected mayor in 1977.

Myerson, 43-year-old Capasso and Judge Gabel, 76, were all charged with conspiracy, three counts of fraud and bribery.

In addition, Myerson was also accused of obstruction of justice, a charge that she tried to induce Sukhreet Gabel to testify falsely in the investigation.

### SATELLITE PROJECT HALTED

By Hugh Orgel

TEL AVIV, Dec. 27 (JTA) -- Prime Minister Yitzhak Shamir has called a halt to further development of Israel's communications satellite, "Amos," according to the daily Haaretz.

Shamir vetoed the project when it became apparent that the government would have to invest \$120 million over the next four years to get it off the ground.

Gad Ya'acobi, minister of economic planning and coordination in the last government, was unable to reach an agreement with the Defense Ministry on the project.

The Israel Defense Force objected to digging into the defense budget to pay for a communications satellite.

Israel launched its first satellite, Ofek-1, into orbit Sept. 19.