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JEWISH AGENCY EXECUTIVE APPROVES PINCUS PLAN FOR REORGANIZATION

JERUSALEM, Sept. 5. (JTA) -- A plan for the reorganization of the Jewish Agency, proposed by chairman Aryeh L. Pincus, was approved here today at a plenary session of the Agency executive, with only one vote in opposition. The sole negative vote was cast by Mapam member Z. Lourie, who wanted action taken at this time in principle only.

The plan was worked out by an interparty committee of nine Agency members, under Mr. Pincus' chairmanship. It calls for reducing the number of Agency departments from 12 to eight. The plenary left only one question unresolved. That was whether there should be separate departments for general and Torah education, as at present, or one department of education. The matter will be decided by the Jerusalem executive. If it favors the status quo on education, there will be nine departments.

The plan calls for an aliyah and absorption department, which will include the functions of the economic department, the Professional and Technical Workers Aliyah and joint offices of the Agency and the Government. A Treasurers' department will supervise staff matters and companies in which the Jewish Agency is a partner. The third department will handle agricultural settlement, and a fourth will handle the Keren Hayesod, the Foundation Fund.

The fifth will deal with youth and Eechalutz (pioneering in Israel). Another department will deal with education and culture, with the question of one or two education departments left for later. A department on organization will include information and external relations, including contact with Jewish communities abroad.

Coordinating Board, Israel Cabinet to Meet for Final Decisions

The same committee which worked out the reorganization plan was assigned the task of working out the details.

The decisions will be brought before a session tomorrow of the Agency-Israel Government coordinating board, because many of the Agency's activities, such as those in housing and agricultural settlement for immigrants, are carried on jointly with the Government. The coordinating board session will meet with the Cabinet.

In debate prior to the voting, Mrs. Rose Halprin, of the American section of the Agency, urged that a special division for immigration from the West be established in a new department.

American members of the Agency will meet with the interparty committee in continuing sessions of the plenary to discuss procedures to implement the new plan in the United States. The plenary will continue until Friday.

In summarizing discussions before the vote, Mr. Pincus stressed the need for uniting the aliyah and absorption departments not only for reasons of economy but also because the extent of immigration to Israel now largely depends on the effectiveness of absorption of the newcomers. He said that a single department dealing with both immigration and absorption was in the interest of effective aliyah.

'ALIGNMENT' ACCEPTS ESHKOL ECONOMIC PLAN BUT OTHER PARTIES BALK

JERUSALEM, Sept. 5. (JTA) -- The dominant alignment partners in Premier Levi Eshkol's government -- Mapai and Achdut Avodah -- have endorsed separately the same version of Finance Minister Pinhas Sapir's three-year austerity program to deal with Israel's economic difficulties. However, the remaining hurdles to full coalition agreement on the plan are still formidable. A principal need is to obtain approval from Mapam, which informed the Premier that it had not budged from its insistence on a compulsory loan as a condition for its approval. Mr. Sapir is strongly opposed to such a loan.

Another obstacle to the Eshkol effort to win coalition agreement for an austerity program is the adamant refusal of two other coalition partners -- the National Religious Party and the Independent Liberals -- to accept the Mapam demands. The two parties are sched-

uled to formulate their views on the various elements of the Sapir plan this week, but they have indicated they oppose higher taxes and favor more industrial efficiency and reductions in government spending as the best way to help Israel's problems.

The proposal approved by the Mapai secretariat and by the Achdut central committee would expand imports by keeping wages down, by revising work norms upward and would seek more efficient use of labor through worker transfers if necessary. The parties also approved proposals for increased taxes on capital gains, and reductions in expense allowances to businessmen.

Unemployed Up to 25,000; Doubling Feared by Next Year

In addition, the two parties moved to find jobs for 25,000 workers currently unemployed, a figure which they feared might reach 50,000 by next year. They accepted a proposal by Akiva Govrin, chairman of the Alignment's economic committee, to set up a special "Unemployment Authority" to seek work for the jobless. Dismissals of workers have continued in a number of plants and factories throughout the country, following decreases in production schedules. Efforts are now being intensified to prevent further dismissals on the eve of the High Holy Days, while a new wave of unemployment is feared by the end of this month.

The Mapai-Achdut agreement also provides for continuation by the Government of its education, housing and social welfare program, and for assisting development areas hardest hit by Israel's swelling unemployment; calls for a balanced budget, aimed at economic advancement and for assuring "social justice"; and urges more efficient investigation of income tax obligations so that "all sectors of the population" will pay their required taxes.

The plan calls on labor to be more "conscious of its responsibilities" and "more fluid" in passing from one sector of the economy to another "as circumstances demand." The plan calls on the Government to assure stable prices, which would include supervision of monopolies and cartels. Under the plan, the capital gains tax would be increased from 25 to 30 percent, while commissions of banks and insurance companies would be reduced by 10 percent.

Foreign currency allowances for visits abroad would be cut from \$500 to \$350. The plan would give main emphasis to incentives to increase exports by tax reductions and by government subsidies to exporters.

Cabinet Starts Early Talks on Next Year's Budget; Up by 10%

JERUSALEM, Sept. 5. (JTA) -- The Cabinet today began discussions of Israel's 1967-68 budget, which reportedly will reach 5,000,000,000 pounds (\$1,670,000,000), nearly 10 percent higher than the current budget. The additional income for the expenditures of the next fiscal year, which starts April 1, is expected to come from increased taxation.

Finance Minister Pinhas Sapir had requested that the Cabinet begin consideration of the new budget several months earlier than in previous years, because of the changes to be brought about by the austerity program now under discussion.

ISRAEL EXPECTS FULL TV SERVICE BY 1968; CBS GETS ADVISORY CONTRACT

JERUSALEM, Sept. 5. (JTA) -- A spokesman for the Israeli Broadcasting Authority said today that general television will be inaugurated in Israel on April 1, 1968. His announcement followed approval by the Cabinet yesterday of an agreement with the Columbia Broadcasting System, under which CBS will provide an advisory service in the creation of television broadcast facilities for Israel. The initial investment for such facilities, including studios and technical installations, was estimated at \$5,000,000.

The contract with CBS provides for a \$100,000 fee for the first six months, and \$50,000 for each subsequent six months. The contract, which is renewable, becomes effective October 1. Josef Stern, CBS chief engineer, is expected here this month to begin consultations with Israeli officials on procedures for the television system. The television service will be started with a daily program lasting two and a half hours. Two hours will be in Hebrew, and 30 minutes in Arabic. Content will be news, public affairs and service programs.

One problem in the projected service is the small number of sets in Israel, about 30,000, because of high prices. A typical modern set costs about \$1,000, much of the cost being due to custom and other taxes. The Cabinet is due to consider a proposal to reduce the price of sets to around \$700 by cutting taxes on them.

Under popular pressures, the Israel Government started a pilot project earlier this year for educational television. General television has been widely opposed by officials in Israel. Israelis use their 30,000 sets to tune in on Arab telecasts, most from Beirut and Cairo.

Ground has been broken for a television transmission center in an area here reserved for Government buildings. The center will be near the Hebrew University and the new home of Israel's Parliament.

BIAS AGAINST CHILDREN IN PUBLIC SCHOOLS SEEN IN NEW AID PROGRAMS

NEW YORK, Sept. 5. (JTA) -- Programs of federal and state aid to pupils of Jewish and Christian religious schools in New York State were the targets today of charges of violations of the church-state separation principle and of discrimination against public school children.

The federal program provides funds under Title I of the Federal Elementary and Secondary Education Act of 1965 for disadvantaged children of both public and non-public schools. The latter include Jewish and Christian day schools, which, in New York, are mainly in New York City. The state program provides funds for "lending" textbooks to religious school students. The New York State Textbook Loan Law has been declared unconstitutional by a State Supreme Court judge.

The American Jewish Congress charged yesterday that the New York City Board of Education had followed a "pattern of discrimination" against the city's public schools in its proposals for distributing Title I funds. David Haber, a spokesman for the New York metropolitan council of the AJC, said the "discriminatory pattern" stemmed from the Board's "avid efforts" to provide Title I funds and services to religious and other non-public school pupils in the city.

Dr. Haber, a Rutgers University law professor, charged that the Board favored non-public over public schools in the allocation of Title I funds, in provision for public school services and selection of schools for benefits.

17,000 Pupils in Jewish Day Schools Seen As Technically Eligible

Jewish education sources have estimated that about 17,000 pupils in Jewish day schools in New York City are technically eligible for Title I aid. However, the Board of Education criteria for eligibility of non-public school pupils have been sharply criticized by Orthodox Jewish and Catholic education officials as certain to exclude a significant number of religious school pupils from such aid.

The New York Board of Education also appeared caught in a dilemma stemming from the fact that school districts in the state have been told they could still receive funds under the state textbook loan law, despite the fact that it has been declared unconstitutional.

Supreme Court Justice T. Paul Kane ruled on August 19 that the law violated the principle of church-state separation. However, Gov. Nelson A. Rockefeller told State Education Commissioner James E. Allen, in a letter, that the court ruling had been stayed by an appeal filed earlier last week by State Attorney Louis J. Lefkowitz.

The New York Board of Education reflected the confusion felt by some school districts in a comment by a spokesman who declined to say what the New York Board would do. The Board had planned, before the Kane ruling, to lend some \$2,250,000 worth of books to Jewish and Christian religious school pupils. After Dr. Allen received the Governor's letter, he notified all districts in New York State that they could now seek up to \$15 a pupil for students in grades seven to 12 in both public and non-public schools.

The appeal will be heard this fall by the Appellate Division of the State Supreme Court. The case is considered certain to be taken to the State Court of Appeals, New York's highest court. A spokesman for the Governor's office, responding to questions as to whether school districts could apply for aid under a law which might again or finally be ruled unconstitutional, said that any school district which applied for aid would be entitled to reimbursement, no matter what the courts finally decided.

Dr. Haber urged the New York City Board of Education to offer federal benefits for non-public school pupils "only through programs conducted on public school premises and only under public supervision and control." Jewish and Catholic religious educators have contended that restriction of Title I benefits to programs restricted to public school premises would deprive many religious school pupils of help to which they would be entitled under the federal law.

JOSEPH MEYERHOFF CONTRIBUTES \$100,000 FOR JERUSALEM PUBLIC LIBRARY

JERUSALEM, Sept. 5. (JTA) -- Joseph Meyerhoff, of Baltimore, chairman of the Israel Education Fund of the United Jewish Appeal, has contributed \$100,000 to the fund for the construction of a public library in Jerusalem, it was announced here today. The need for a library here has grown with the increase in the city's school enrollment and population.

ISRAEL MAY REDUCE NUMBER OF DELEGATES TO U.N.; EBAN TO HEAD GROUP

JERUSALEM, Sept. 5. (JTA) -- Israel's delegation to the forthcoming session of the United Nations General Assembly, which opens September 20, will be headed by Foreign Minister Abba Eban. He is due to arrive in New York in two weeks, it was announced here today. Although the composition of the rest of the Israeli delegation is not yet known, the number of members are believed to have been cut considerably from the number attending last year, because of the current retrenchment program and internal Herut difficulties.

HEBREW DAY SCHOOLS, OPENING TOMORROW, EXPECT INCREASED ENROLLMENT

NEW YORK, Sept. 5. (JTA) -- Hebrew day schools in the Greater New York metropolitan area expect a total enrollment of 47,100 pupils during the school year beginning on Wednesday, representing a 5 percent increase over last year's enrollment, it was announced here today by Dr. Joseph Kaminetsky, director of Torah Umesorah, the National Society of Hebrew Day Schools.

Four new Hebrew day schools were established during the past summer, bringing the total number of day schools in the area to 153, of which 109 are elementary schools and 44 at the high school level. The Hebrew day schools at the high school level are expected to show the greatest proportional increase in enrollment, with 1,000 new pupils for a record total of 10,100 pupils, Dr. Kaminetsky said. The figures include schools in all five boroughs of the city as well as in Nassau and Westchester counties, which adjoin New York City.

NEW YORK CHECKING CHARGES OF BIAS AGAINST JEWS IN TOP BANK JOBS

NEW YORK, Sept. 5. (JTA) -- New York City Finance Administrator Roy M. Goodman disclosed yesterday that he was investigating the possibility of bias by New York commercial banks against Jews after the American Jewish Committee had charged that there is a marked lack of Jews among the top management positions of those banks.

Speaking on a television program, Mr. Goodman said there was an "implication" that anti-Semitism is involved. But he stressed that the Committee's report conceded that Jews may have shunned the banks because of greater financial opportunity elsewhere. Mr. Goodman said that, if it is proved that the commercial banks are discriminating against Jews, he would be "reluctant" to continue depositing in such institutions city revenues which amount to more than \$100,000,000 daily in peak tax collection periods.

U.S. COURT ORDERS ZIM LINES TO ANSWER WRIT ON DESCRIBING CARGOES

NEW YORK, Sept. 5. (JTA) -- The Zim-Israel Navigation Company has been ordered by the United States District Court here to show cause why it should not comply with a subpoena issued by the Federal Maritime Commission, calling upon the Israeli shipping line to produce billing records since 1964, showing "any known misdeclarations of freight." The subpoena was issued in response to a complaint by five Japanese marine insurance companies and two American insurance firms who claimed that Zim and certain shippers in Japan had "conspired" to misdescribe the cargo.

(In ocean shipping, steamship companies sometimes permit shippers to misdescribe cargoes to have their goods carried at lower freight rates on ships that might otherwise sail with a large part of their capacity unused.)

ILLINOIS NATIONAL GUARD KEEPS NAZIS AND KU KLUX KLAN OUT OF CICERO

CHICAGO, Sept. 5. (JTA) -- Members of the American Nazi Party and the Ku Klux Klan, some of them carrying swastika emblems, were prevented by National Guardsmen from entering Cicero, Ill., yesterday. They had tried to sneak into the Chicago suburb from the adjoining suburb of Berwyn, during a march by civil rights demonstrators. Both groups had been ordered to keep out of Cicero after they were charged with seeking to inflame an already tense situation between white residents and civil rights advocates.

ARGENTINE PRESIDENT REJECTS REPORTS ABOUT ALLEGED ANTI-SEMITISM

BUENOS AIRES, Sept. 5. (JTA) -- President Ongania told the executive committee of the Foreign Press Association here yesterday that only uninformed persons could believe that Argentina would permit racist attitudes which "are loathsome to its tradition of freedom and defense of human dignity." The president apparently was referring to recurrent press reports overseas about anti-Semitic developments under his regime.

(The New York Times reported from Buenos Aires that Argentine Jews were confused by some apparently conflicting actions of the Ongania military regime. Typical comments from Argentine Jews were that they became second class citizens when the new regime took power, but also that Argentine Jewry has never felt so well protected as it was under the new regime. Another interviewee said that the Ongania regime was "the most ultra-Catholic" in a generation but added: "Argentine Jews have never had so much support from the church.")

ELIAHU BEN-HORIN, WRITER, LEADER AMONG REVISIONISTS, DEAD AT 64

NEW YORK, Sept. 5. (JTA) -- Eliahu Ben-Horin, a writer and authority on Middle Eastern affairs, died yesterday in Mount Sinai hospital after a long illness. He was 64 years old. As advisor on Middle Eastern Affairs to the American Zionist Emergency Council from 1945-50, he assisted Dr. Abba Hillel Silver, chairman of the Council, in the presentation to the United Nations in 1947 of the case for the partition of Palestine and the creation of the State of Israel. Mr. Ben-Horin was a close associate of the late Vladimir Jabotinsky, the founder of the Revisionist movement.