DULVIN CALLS FOR GREATER EXERTION ON PART OF JEWISH COMMUNITY TO RAISE MORE FUNDS IN THE FUTURE.

Proposes 1973 Budget of $470 M

JERUSALEM, Feb. 6 (JTA)—Declaring that "the gap between our income and our needs is tragic," Jewish Agency Treasurer Arye Dulzin warned delegates attending the second annual Jewish Agency General Assembly here today of fateful consequences for Israel if fund-raising around the world is not even more successful in the future than it has been in the past. Dulzin presented the Assembly with the Jewish Agency's proposed record 1973 budget of $470 million but he said it fell short of actual needs which he estimated at closer to $785 million for the year.

He said the 1973 budget, which includes about $60 million unspent from last year's budget of $405 million was only "provisional." The largest budget item—immigrant housing—amounts to $119 million, a cut of $30 million from the previous budget, Dulzin said. But the arrival of 70,000 new immigrants in 1973 will require between 14,15,000 new housing units while the Jewish Agency's budget has room for only 7,800. For the government to come up with the rest, he said.

Another major item—immigrant absorption—amounts to $67 million, a $10 million increase over last year, intended to meet the increased immigration largely from the Soviet Union. However, Dulzin said, hundreds of thousands of Soviet Jews may come to Israel in the next decade accelerating Israel's financial crisis. He expressed doubts that Israel was preparing itself properly for the massive influx. "We will need $10 billion in the next ten years or God forbid, we will fail," Dulzin said.

Israel Needs Aliya

The Jewish Agency Treasurer criticized "a certain atmosphere that has prevailed in Israel in recent months that expresses itself in the belief that aliya is too costly a burden for the society. He said many Israelis asked why the immigrants are given so much; but don't appreciate how much money aliya is costing the country. He cited statistics showing the contributions made by immigrants to the labor force and the gross national product during the last two years.

Other items on the proposed Jewish Agency budget included social welfare, $31.6 million, up more than $3 million from last year; health services, $21.6 million, a decrease of over $12 million from last year's budget; higher education, a cut of $6 million; youth care and training, $26.6 million, an increase of some $9 million.

Additional budget items include absorption in agricultural settlements, $45.1 million, up some $12 million from last year; and general administration and services; $3.2 million, compared to $2.5 million last year. Dulzin urged the delegates to strengthen their fund-raising efforts by enlarging the number of donors. He said that only 400 contributors comprised 60 percent of the total amounts raised by the JTA in its last campaign. (Other stories P. 3.)

HUSSINE-NIXON TALKS FOCUS ON EFFORTS TO NEGOTIATE ARAB-ISRAELI PROBLEM

WASHINGTON, Feb. 6 (JTA)--King Hussein of Jordan met with President Nixon and his national security advisor Dr. Henry Kissinger for 70 minutes at the White House this morning. Mr. Kissinger spokesman Gerald Warren told reporters afterwards that the "thrust" of the President's discussion with Hussein—and of his forthcoming meeting with Premier Golda Meir of Israel in three weeks—was "the present state of efforts to move toward a negotiated resolution of the Arab-Israeli problem."

Hussein was accompanied at the White House meeting by his political advisor Zayd Rifai. After his meeting with the President, the Jordanian ruler lunched with Secretary of State William P. Rogers of the State Department and later worked late in a working session with Rogers' and State Department Middle East specialists.

Dr. Kissinger's Participation Significant

Observers here said it was significant that Dr. Kissinger participated in the Nixon-Hussein meeting, inasmuch as he is still deeply involved in the Indochina situation and leaves tomorrow on a visit to Hanoi, Laos, Thailand and Peking. They said Dr. Kissinger's participation in the White House meeting indicated that he is becoming more deeply involved in the Middle East situation.

Riener told newsmen that Nixon and Hussein also discussed "Jordan's new economic development and military modernization programs and U.S. programs to help with them," He said that "the President assured King Hussein of firm U.S. support for Jordan in these programs and of U.S. interest in progress toward a negotiated peace in the Middle East."

"Hussein and his wife arrived in Washington last night and are guests at Blair House. They will be dinner guests of President and Mrs. Nixon at the White House tonight. The King's visit to the U.S. is officially described as a private one.

VIILNA JEWS PROTEST SOVIET INTERCEPTION OF MAIL COMING FROM ISRAEL

JERUSALEM, Feb. 6 (JTA)—Twenty-six Jews from Vilna have protested to the International Postal Union over the Soviet interception of mail addressed to them from Israel. They demanded an investigation of this alleged violation of international postal agreements. Israel's Transport and Communications Minister Shimon Peres received a copy of the letter today. Another copy was sent to the Lithuania Minister of Posts. The signers said that each of them had definite proof that mail from Israel was intercepted and offered to turn over their evidence to any committee the IPU might set up to investigate the charges.

HOUSE MAJORITY WARNS USSR ON EMIGRATION

WASHINGTON, Feb. 6 (JTA)—More than half of the membership of the House have joined in sponsoring the "Freedom of Emigration Act" aimed at causing the Soviet Union to eliminate the head tax and other measures preventing Soviet Jews and others who wish to emigrate from doing so. The legislation will be introduced formally in the House tomorrow by Rep. Wilbur D. Mills (D., Ark.) chairman of the powerful House Ways and Means Committee, and Rep. Charles A. Vanik (D., Ohio) who authored
the act and had initiated action against Soviet
emigration discrimination in the last Congress.
With the United States and the Soviet Union
agreement having signed a widespread trade
agreement last Sept., the proposed legislation
would restrain the U.S. from giving the USSR
most favored nation treatment until, in Vanik's
words, the Soviet Union "ceases its discrimina-
tory emigration policies."

The Cleveland legis-
lator has held that the U.S.
"as a nation cannot
overlook designations of human rights for the sake
of commercial gain."

It is reported that the U.S. government had
under-Republican President Howard Taft acted
against Russia 62 years ago in a similar situa-
tion. Vanik observed that "his unsavory experi-
ience is not new in our relations with Russia."

In 1911, he said, because of the pogroms against
Russian Jews at that time, the U.S. government
canceled the 79-year-old commercial treaty of
1832 to demonstrate our abhorrence of that of-
officially condoned policy of terror."

The Mills-Vanik emigration act parallels leg-
islation proposed last Oct., by Senator Henry-M.
Jackson (D, Wash.) which 76 Senators back--more
than 97.2% of the chamber's 100 mem-
bers--and also that which Vanik himself had
proposed shortly afterwards as a companion
measure with 161 sponsors. Pending the admin-
istration's presentation for ratification of the
Soviet-American trade agreement, Jackson has
not yet re-introduced his proposal to the Senate.

However, he and Mills are holding a joint news
conference tomorrow when some of the Congress-
ional feeling on Soviet restrictions is likely to
be aired.

Expect More Than 250 Sponsors

A preliminary list of sponsors made avail-
able to the Jewish Telegraphic Agency today
showed the names of 244 sponsors of the "Free-
dom of Emigration Act" and key members said
that the list will go well over 250 by the time
Mills proposes it on the floor. With the House
membership totaling 435, a majority constitutes
218.

On the list thus far are 173 of the 243 Demo-
crats, just over half, and 71 of the 192 Republi-
cans, more than one-third. The sponsors are
from-46 states. Only Nebraska, Montana, Ne-
braska and Mississippi are absent. The delegates,
although non-voting, from the Virgin Islands,
Guam and the District of Columbia also are favor-
ing the act. The Puerto Rico delegate, how-
ever, is not listed.

All 12 of the Jewish Representatives, 10 Dem-
crats and two Republicans, and all 16 members
of the Congressional Black Caucus whose chair-
man is Rep. Louis Stokes (D, Ohio) are on the
list. Absent thus far is Rep. Charles C. Diggs
(D, Mich.) who had been a sponsor of the Vanik
bill last autumn. Fifteen of the 25 members of
the Ways and Means Committee are sponsors.
Of the Committee's 15 Democrats, 12 are spo-
nors. Three of the 10 Republicans are also
sponsors.

All Shades Of Political Opinion

The sponsorship represents all political shades
within the House. Among the Demo-
Keys leadership's sponsors are Majority Leader
Thomas P. O'Neill of Massachusetts who is also
chairman of the Democratic Congressional
Campaign Committee; Party Whip John McFall of
California; Rules Committee chairman Ray J.
Madden of Indiana who also heads the Demo-
cratic steering committee and study group chairman
Philip Burton of California.

On the Republican side, however, only John
Rhodes of Arizona, chairman of the Republican
Policy Committee in the House who was chair-
man of the Republican Party's platform commit-
tee for last year's Presidential election, and
Bp. Wilson of California, head of the Republican
National Congressional Campaign Committee are
sponsors. Absent are such party leaders as
Ministry Leader Gerald Ford of Michigan, Party
W. Leslie C. Ahrens of Illinois and Republican
Conference Chairman John B. Anderson of III.

The position of the Republican leadership in the
House and also of the administration may have been
expressed in a resolution offered to the House on
Jan. 9 by Anderson. His presentation essentially
was similar to the view reported by express
President Nixon last fall when he told a Jewish group
in New York that "quiet diplomacy" rather than leg-
islation is the better way to induce the Soviet Union
to relax its emigration policy.

ISRAEL BECOMING MORE SELF-
SUFFICIENT IN ARMS PRODUCTION

TEL AVIV, Feb. 6 (JTA) -- Gen. David Elazar
told yesterday that Israel has made impressive pro-
gress toward self-sufficiency in arms production,
including highly sophisticated weaponry. The Chief
of Staff of Israel's armed forces also praised arm-
ments received from the United States which he
said contributed to Israel's "great leap forward"
in arms, both qualitatively and quantitatively dur-
ing the last five years.

Elazar spoke at the annual convention of civil-
ian employees of the military--mechanics, scientists,
laundry workers and engineers--who described
as "an integral part of the Israeli Army."

He said U.S. arms helped transform Israel's ar-
senal compared to what it was before the 1967 Six-
Day War. The Chief of Staff added that this was brought
about not only by arms purchased from the U.S. but
by Israel's own arm production which had increased
enormously.

"We can state that all the small arms in use by the
Israeli armed forces are locally made, all the aux-
iliary armament except heavy artillery, is locally
made and even in complicated and sophisticated
weapons systems there is very significant progress
toward self-sufficiency," he said.

Elazar added that "the new missile boats are not
the only example," but did not cite other exam-

The first of the new missile boats built in Is-
rael, the Dahan, will be launched at Haifa Feb. 19.
It will be armed with the Israeli-made Gabriel sur-
faced-to-surface missile.

Police with blow torches forced open the gates
to the Ashdot port area which had been locked with
iron chains by a group of striking temporary port
workers who are demanding permanent workers
tatus. The police workers were forklift operators
who wanted the work stoppage at the port today. Permanent workers rejected an appeal by the temporaries to join them in the strike. The Port Authority agreed to grant permanent status to only 70 of the 200 temporary workers.

Police arrested six more Druze villagers at
Majdal Shams on the Golan Heights last night, bring-
ing to 25 the number of suspects taken into custody
since last week in connection with a Syrian-directed
Druze spy ring. The suspects are accused of work-
ing for Shaqib Abu Hamel, a wealthy Druze land
owner of Majdal Shams, who is believed to be the
leader of the ring that was reportedly gathering in-
telligence in Israel and the administered territo-
ries and passing it to Syrian agents.
WASHINGTON, Feb. 6 (JTA)—State Department officials said today that "literally every aspect of Arab-Israeli differences" were discussed during the visit of King Hussein of Jordan to the State Department this afternoon. Hussein, who is meeting with former Secretary of State William P. Rogers at the State Department following his visit with President Nixon and met privately with Rogers for a half hour in his office.

Department officials said it was "reasonable" to assume that nothing new in terms of diplomatic proposals were introduced on either side either at the private meeting or at the broader gathering. They refused to comment on questions relating to Hussein's position on Jerusalem. They said there were Jordanian rulers spoke for himself and brought no messages from other Arab governments.

State Department spokesman Charles Bray described the meeting officially as "cordial and wide-ranging discussions as befit the close relationship between the U.S. and Jordan." He said the Middle East situation was discussed as well as bilateral relations, and that both Hussein and Rogers reaffirmed their desire to see a peaceful settlement in the Middle East. "Secretary Rogers assured King Hussein of our continued friendship and support for Jordan," Bray said.

Department sources later cautioned reporters not to regard the meeting as a base on which a clear course for future diplomatic activity can be charted for the immediate future. They pointed out that a number of discussions have been held with Middle East representatives in diplomatic channels and that more will be held in the future.

Premier Golda Meir of Israel is due in Washington March 1.

SAPIR: INFLATION IS BEING CURBED

JERUSALEM, Feb. 6 (JTA)—Finance Minister Pinhas Sapir said today that the government can and is taking steps to curb inflation. But he said it could not do much to eliminate its three basic causes—immigrant absorption, defense costs and the higher price of goods Israel imports from abroad. Sapir discussed inflation—Israel's No. 1 domestic problem—with delegates to the Jewish Agency's second annual General Assembly, some of whom expressed concern that their contributions to Israel were being eaten up by an inflated economy.

Sapir noted that immigrant absorption was a cardinal principle of the State. He said Israel could not control the price of goods abroad and in the area of defense. "We will probably have to spend as much in the next ten years as we are spending now," he said. He said that even if Israel signed a peace treaty with the Arabs soon, it would still have to maintain a high level of defense spending. Israel, he stated, had to be strong enough so that any peace treaty it may sign "will not be just a piece of paper."

Sapir answered implied criticism that the Israeli government wasn't doing enough to attract immigrants, especially from the affluent Western countries, and he kept repeating "I think we control the price of goods abroad and in the area of defense." "We will probably have to spend as much in the next ten years as we are spending now," he said.

The Finance Minister said he favored permitting wealthy Westerners to build homes in Israel. Such building is not at the expense of general housing needs, he said. Moreover, he asked, "how can you ask someone to contribute to the United Jewish Appeal and Israel Bonds and then not let him build a home in Israel?" There is always the chance that he or his children might settle permanently in Israel eventually, Sapir said.

Asked if he agreed that fund-raising efforts only scratched the surface of Israel's needs, Sapir said that not enough was being done. But he noted that no one ever expected the record-breaking contributions of 1972 to be replicated, he added, "It is likely that we will not exceed in recent years. Asked why Israel was not building more pre-fabricated homes to ease the housing shortage, Sapir spoke of plans to buy 800 mobile homes on an experimental basis. But, he added, the reaction of Israelis and especially of the press to such plans was likely to be negative.

400 RALLY FOR SOVIET JEWS

UNITED NATIONS, Feb. 6 (JTA)—Some 400 people, mainly youngsters, demonstrated today in front of the UN building, where Moscow Mayor Vladimir Promyslov was scheduled to pay an afternoon visit. The rally, sponsored by the Greater New York Conference on Soviet Jewry, was designed to protest the harassment and discrimination against Soviet Jews.

"Save Soviet Jewry," "Let My People Go Now," "Mayor Promyslov, When You Go Home Remember Those Who Can't," and "Freedom Before Friendship," were among many slogans carried by the demonstrators. A group of 10 students dressed in prisoner's garb sat around a table, which was set up in the demonstration area, and ate a "typical meal served to Jews in Soviet jails. The meal consisted of a piece of black bread and herring with one cup of hot water. The students wanted to symbolize the Soviet Jewish prisoner and his plight.

Stanley Lowell, Conference chairman, said that Promyslov "is the mayor of a city where Jewish activists are arrested...without cause or justification" and that "we are here to remind you--as you return to your home tonight--of those who cannot go home... We will not forget the prisoners of conscience, the Soviet Jewish scientists who are constantly harassed and the 100,000 who have applied for permission to emigrate."

Lowell added that Promyslov, as mayor of Moscow, is directly responsible for the closing of the main synagogue in his city on the Sabbath and other holidays. At the end of the rally, some Jewish Defense League members tried to block traffic and enter the UN, but were prevented from doing so by the police. Ironically, reports had it that Promyslov was not at the UN during the demonstration but was having lunch at the Soviet Mission to the UN.

KH-UA TO RAISE $125 M. IN 1973

JERUSALEM, Feb. 6 (JTA)—The Keren Hayesod-United Israel Appeal announced today that it plans to raise $125 million for Israel in 1973. The announcement was made by Ezra Shapira, KH chairman, at a conference of 55 Keren Hayesod-UJA leaders from 20 countries attending the second annual General Assembly of the Jewish Agency here. Keren Hayesod raises funds in Israel and in 69 other countries, excluding the United States. The leaders were asked by S.J. Kreutner, director general of the KH, to increase the number of contributors by concentrating on those who have not contributed before, especially among younger people.

Foreign Minister Walter Scheel has postponed his projected visit to Jordan, Egypt and Lebanon next March because of illness. No new date has been set.
THE LOGIC OF THE LONG-DISTANCE WALKER

NEW YORK, Feb. 6 (JTA) -- Dr. Shaul Ladany, one of the Israeli athletes who escaped the attack by Arab terrorists in Munich last Sept., feels that "the Israeli government was wrong in ordering us to come home after the massacre." He told a press conference yesterday at the Zionist Organization of America headquarters that "We should have stayed, to allow those who could still compete to do so, to say, 'Look, I'm an Israeli, I'm alive.'" Israel's decision to recall the Olympic team after the death of 11 Israeli athletes caused, according to Dr. Ladany, "a victory of emotion over logic, a totally emotional decision."

Dr. Ladany, a world champion marathon walker, is the first member of the Israeli Olympic team to visit the United States. He will address meetings in some 20 cities across the nation under the auspices of the ZOA to explain the horror of Munich, the effect of this tragedy on the future of the Olympic Games and the psychological repercussions in Israel. "The very dream of Olympic victory (Israel) was numb," he said. "Everyone stopped working and just talked about the tragedy. It took nearly a month, for people to realize that life goes on." The immediate reaction in Israel he said, was one of sorrow coupled with anger. "Even when one of our ships was destroyed by Egyptian missiles, the grief never was so widespread," he observed.

Focusing on his feelings about Israel's decision to recall the Olympians, Dr. Ladany asserted that this decision played into the hands of the terrorists by giving the assassins a psychological victory and the realization that they were capable of disrupting any event anywhere. "We should have remained," he declared while conceding that this view represents a minority opinion. "We should have showed off our flag with pride to all the world. We would have gained a much higher moral triumph."

Germany Was Impotent

But even as he expressed disagreement with Israel's decision, he criticized Germany for its "impotence" in dealing with the terrorists. "The host country is responsible for security at Olympic games," said Dr. Ladany. "In that respect Germany was impotent. German efficiency is a myth. I am not accusing the Germans. I'm saying only that they performed very badly!"

Asked what approach should have been taken, the 36-year-old biochemistry professor at Tel Aviv University stated that the German marksman "should have rushed the helicopter," where the Israelis were being held hostages by the terrorists, "once they had failed to kill the terrorists with their first fusillade." He also opined that the Germans could have used other options. He said that the lives of the Israeli hostages might have been spared if West Germany had opted for approaches other than sheer force: offering a larger ransom to the terrorists for their release, or to keep the Israeli compound in the Olympic Village under siege. The latter action, he suggested, would have let the terrorists know "that they themselves were hostages."

Referring to the future of the Olympic Games, Dr. Ladany, who won the world 100-kilometer walking championship in Lugano, Switzerland last Oct., asserted that the Munich tragedy did not kill the ideal of the Olympic spirit. "Israel, he added, has decided to continue participating in international sports because "by participating and succeeding even more than in the past we would honor those 11 dead."

FBI AGENT SAYS JDL PLANNED TO ATTACK SOVIET MISSION IN 1971

NEW YORK, Feb. 6 (JTA) -- An FBI agent claimed yesterday that the Jewish Defense League planned in 1971 to use a "drone airplane," filled with explosives to attack the Soviet-United Nations Mission. The agent, John M. Doggett, made the charge while testifying at a federal court hearing on a motion to dismiss the case of one of three JDL members, Sheldon Seigel, accused of five bombings, impressario Sol Hurok's office Jan. 26, 1972, in which one person died and eight people were injured.

Explaining why the government put a wire tap on Seigel's telephone without a court order, Doggett claimed that in Nov. 1971, the then U.S. Ambassador to the UN, George Bush, called a meeting of federal and local law enforcement officials to discuss ways to ward off attacks on Soviet premises and personnel allegedly threatened by the JDL. According to Doggett, the FBI's plans to aim an explosive-laden drone plane at the roof of the Russian mission in Manhattan were discussed. He also stated that Bush told them that the JDL planned sniper attacks on Russian diplomats in Washington.

Last Friday, federal prosecutor Henry Putzel, told the court that Seigel, 25, was a government informer against the other two defendants but had decided at the last minute not to testify. At the government's request, he is being tried separately from the other JDL suspects, Stuart Cohen, 19, and Sheldon Davis, 19.

NEWS BRIEFS

BONN, (JTA) -- The State Jewish Theater of Warsaw will tour West Germany this year. The ensemble, the only one outside the Soviet Union to use Yiddish, was reformed after 1968 when its director, Ida Kaminska, and several actors left Poland as a result of the government's anti-Semitic campaign against Israel and Zionism. The ensemble will play in Frankfurt, Offenbach, Bonn, Essen, Cologne, Hamburg, Stuttgart and several other cities.

WASHINGTON (JTA) -- Sen. Edward J. Gurney (D., Fla.) charged that "concentration camps still flourish!" in the Soviet Union but that "fortunately" the plight of Soviet Jews may result in reducing "those brutal tactics."

In opening two days of hearings on the Soviet Union by the Senate Subcommittee on Internal Security of which he is chairman, Gurney said Thursday that the purpose of the hearings "is to bring to light the methods of repression of dissent in the Soviet Communist system."

NEW YORK (JTA) -- Some 120 Jewish youths demonstrated Thursday night in front of the offices of Betar, the Jewish youth movement, to protest their activities. A spokesman for Betar, the Zionist youth organization that sponsored the demonstration, said there will be an organized campaign against missionary groups such as Beth Shalom, which he said call themselves Hebrew Christians and attempt to persuade Jew that it possible to be Jewish and also accept Jesus. The Betar spokesman said his group has also started a counter-missionary campaign to protest against "Key 73."