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## TOP REAGAN AIDES TELL JEWISH AUDIENCE HE WILL KEEP CAMPAIGN PROMISES ON ISRAEL IN VIEW OF HIS 'PRINCIPLED' POSITION ON TAIWAN

By David Friedman

NEW YORK, Oct. 23 (JTA) — Top aides to Republican Presidential candidate Ronald Reagan told a Jewish audience last night they could be certain Reagan would keep his campaign promises on Israel based on the former California Governor's "record" and his "principled" position on Taiwan.

One of them, Edwin Meese, Reagan's chief of staff, also said that anyone appointed by Reagan, especially in the foreign policy field, will have to be "identically aligned with the Governor's position, particularly as regards Israel."

Meese was responding to a question on whether former Texas Gov. John Connally and others with close ties to Saudi Arabia and other Arab countries would be appointed to high positions by Reagan. He said that Reagan is not considering potential appointments until after the Nov. 4 election.

Meese, Richard Allen, Reagan's top foreign policy advisor; Alan Greenspan, his top economic advisor, and Raymond Tanter, another foreign policy advisor, answered questions for 90 minutes at a meeting in the St. Regis Hotel sponsored by the Jewish Community Relations Council of New York (JCRC) attended by some 200 persons.

Both Malcolm Hoenlein, executive director of the JCRC, and George Klein, a JCRC vice president who chaired the meeting, said they hoped to have a similar meeting with advisors to President Carter.

### Long Standing Support Of Israel Cited

The assurances on Reagan's position came when a questioner pointed out that the Jewish community hears promises on Israel every four years only to see them broken after the election. Meese said that Reagan's support of Israel goes back long before he ever considered entering politics. "Look at the record," he said. "I can assure you on that basis you don't have to worry about Ronald Reagan."

Allen added that Reagan's "principled defense" of Taiwan, despite strong pressure on him to abandon that position, is proof that he will stand by the friends of the United States, including Israel.

Allen said that Reagan supports the Camp David framework based on United Nations Security Council Resolutions 242 and 338. He said any expansion of the framework must come through the desires of the parties involved and not U.S. pressure. Allen added that a Reagan Administration would "probably not" seek to bring the UN into Mideast negotiations and would "probably categorically not" seek to involve the Soviet Union in the talks.

On Jerusalem, Meese said that Reagan believes Jerusalem must remain undivided with "Israeli sovereignty over Jerusalem." He said the designation of where a country's capital should be,

and thus where embassies should be located, is a matter for a sovereign state.

Meese said that a Reagan Administration would take the lead in fighting terrorism throughout the world and would not hesitate in branding the Palestine Liberation Organization as "outlaws."

Allen said that in any arms sales to Saudi Arabia and other Arab countries by a Reagan Administration there would first have to be assurances that it would not damage the balance of arms power against Israel. He said the first test will be Israel's ability to defend itself.

### Stand On Far Right Fundamentalists

When the question of the far right fundamentalist groups which support Reagan was raised, Meese replied that Reagan has "made it clear" that groups like Moral Majority who support him must accept his views and not he accept theirs.

He said Reagan believes in the separation of church and state and that no religious group will be able to impose its beliefs or doctrines on a Reagan government. Allen also said Reagan believes in tuition tax credits for parents who send their children to private schools, including parochial schools, as a way of protecting their right to send children to the schools of their choice.

Klein, a leading supporter of Reagan, also introduced several other major supporters of the Republican candidate, including Max Fisher, of Detroit; Albert Spiegel, of Los Angeles; and Maxwell Rabb, John Loeb and Rita Houser, all of New York.

Klein said that the audience was made up of the leaders of the organizations in the JCRC. Meese said he was told that while there were some Reagan supporters and even Carter backers, most of the audience was undecided. JCRC president Laurence Tisch who arrived at the end of the meeting, stressed the importance of voting.

### REPORT TO SENATE UNIT QUESTIONS ADMINISTRATION'S HANDLING OF ISRAEL'S SECURITY, ECONOMIC PROBLEMS

By Joseph Polakoff

WASHINGTON, Oct. 23 (JTA) — A 7500-word report to the Senate Foreign Relations Committee on U.S.-Israeli relations prepared by its Middle East staff specialists questions President Carter's statement that a "reassessment" of relations between the two countries has not and will not take place under his Administration and stressed "the need" by the U.S. "to understand and address Israel's security and economic problems."

The report was prepared by staff members Barry Schochet and Graeme Bannerman following their July visit to Israel and was presented to the Committee on Oct. 15 by Sen. Richard Stone (D. Fla.), chairman of its subcommittee on Near Eastern and South Asian Affairs. It is expected that hearings on Middle East issues will be held by Stone when Congress returns from its Presidential election recess to conclude this session's business.

"This report," Stone wrote the full Committee in a memorandum released yesterday, "raises a number of serious questions regarding the Administration's handling of Israel's security and economic problems and makes specific recommendations regarding ways in which this committee can address these problems."

In an interview following the report's release, Stone was asked by the Jewish Telegraphic Agency about Vice President Walter Mondale's statement Oct. 18 to the Zionist Organization of America's 82nd national convention here that appeared to vary with the report's criticism of U.S. military policy.

#### No Information Available On M-60 Tanks

Pointing out that Israel's strength is being increased by U.S. aid, Mondale said "the reason that they (Israel) will have substantially more than a thousand of our best M-60 tanks, the reason our Joint Chiefs of Staff ... and our Undersecretary of Defense just went to Israel to work with her leaders is that the President sent them on these missions and made these decisions."

However, neither Stone nor the Committee staff had information on the 1000 tanks nor could information on their delivery be obtained from Administration sources.

"I've never heard about these 1000 tanks," said Stone through whose subcommittee the Administration would start seeking Congressional authorization for delivery. "But even if they were to be provided, how is payment to be made?" Stone asked. "Israel is out of money. If the Administration had not escalated the arms race in the Middle East to the disadvantage of Israel this situation would not have arisen."

Committee specialists felt Israel could make its own tanks. Their report showed that U.S.-Israel coproduction of an advanced "Merkava Tank" allows Israel to produce it at a savings of \$400,000 per tank and the project "has substituted for the otherwise needed purchase of approximately 170 M-60 tanks." It added, "this program is a good example of providing funds for Israel to produce its own products while it purchases substantial quantities of materials in the United States. This tank project is in need of further funding."

#### Says U.S. Mideast Policy Is Shortsighted

Commenting on the report, Stone said, "present U.S. policy toward Israel and the Middle East is shortsighted. It is helping to accelerate the Middle East arms race and to endanger efforts to convince Israel to take the additional risks that will be necessary to reach agreement on the peaceful future of the West Bank and Gaza Strip."

"Undermining Israeli confidence in the U.S. as a long-term ally is not the way to successful peace negotiations," he said. "Yet, Israel's doubts and insecurities have been heightened by the U.S. in many ways." Noting "Israel is an important strategic asset to our country," Stone said the Administration has been increasing sophisticated weaponry to Saudi Arabia and coordinating joint military exercises with Egypt which it also is supplying with major weapons while down-grading Israel's strategic importance.

"We are giving and selling military weapons to countries that refuse to join the peace process," Stone added. "And by rewarding Jordan, Saudi Arabia and others for refusing to talk peace, we are penalizing Israel for the major concessions it made in the Camp David agreement. This makes no sense since peace is our goal."

Pointing out that the report "shows how counter-productive our policies are to the chances of expanding the peace process," Stone

raised these questions: "What incentive do the confrontation states have to turn from belligerency to peace? What are we trying to prove in denying ourselves the military expertise and regional knowledge of our strongest ally, the State of Israel? What are we trying to prove by escalating the arms race in the Middle East? And what are we trying to prove by requiring that Israel's weakened economy bears still larger defense burdens?"

While the report was prepared prior to the signing Oct. 17 of the U.S.-Israel oil agreement that assures U.S. supplies to Israel in time of emergency although at the highest U.S. prices paid for imported oil, the report's conclusions set forth a number of other "tangible steps" to alleviate Israeli concerns.

These include a recycling of Israel's debt servicing into programs which can strengthen Israel's economic base by improving its ability to export goods and technology to the U.S. Another suggestion is lifting of U.S. restrictions on Israel's military export sales which would allow Israel to sell military items which it produces or which is surplus to its needs to third countries which are friendly to the U.S.

International financial assistance also is recommended. Israel is excluded from development capital under most international financial institutions because its per capita income level is too high but these institutions do not take into account a country's per capita debt.

Israeli participation in U.S. aid projects for Egypt was urged. This could serve "as a natural bridge" for stimulating Israel-Egypt normalization economically and be a source of economic benefit to Israel, the report said.

"There can be no doubt that the body politic of Israel is undergoing great political, economic and security stress -- much of which has arisen as a direct result of the Camp David process," the report said. "Israeli political, economic and military leaders have been surprised, discouraged and even angered by what is perceived as a lack of interest and understanding by the U.S. of the effect of the peace process upon Israel."

#### TWO DEPORTED WEST BANK MAYORS APPEAL TO HIGH COURT TO REVERSE DEPORTATION ORDERS

By Gil Sedan and Yitzhak Shargil

JERUSALEM, Oct. 22 (JTA) -- The mayors of Hebron and Halhul, Fahd Kawasme and Mohammed Milhim, appealed to the Supreme Court today to reverse the deportation orders under which they were expelled from Israel-held territory last May. Their attorney, Felicia Langer, submitted the appeal after Premier Menachem Begin, in his capacity of Defense Minister, refused to intervene.

Begin told Mayors Rashid A-Shawa of Gaza and Elias Friej of Bethlehem yesterday that he could not bypass the Supreme Court which will render the final judgement in the case. He promised that the government would abide by whatever the high court decides. A-Shawa and Friej met with the Premier for an hour and 40 minutes yesterday in a vain attempt to have him intervene with the West Bank Military Government whose special review board upheld the deportation orders after deliberating over the weekend.

The appeal to the Supreme Court asked that the State show cause why the deportation orders should not be reversed. Ms. Langer claimed that the proceedings of the military review board were illegal because "the testimonies of the mayors were not taken into consideration. Their eloquently expressed desire for peace and co-existence were ignored."

Instead, the board ruled on the basis of interviews given by the two mayors while traveling abroad

after their deportation whereas it should have been limited to the deportation order itself which was carried out summarily without the hearing the appellants were entitled to under Israeli law, Langer said.

#### Long Judicial Process Expected

The Supreme Court is scheduled to begin its consideration of the appeal tomorrow in what is expected to be a long judicial process, possibly lasting for weeks. Kawasme and Milhim were deported on May 2, within hours of the ambush killing of six yeshiva students in Hebron by Palestinian terrorists. While they were not directly implicated in the murders, the Military Government contended that their extreme nationalist, anti-Israel public statements created the climate for the terrorist act.

Their attorney reportedly has not ruled out a final appeal to Begin should the Supreme Court decide against them. Yesterday's meeting with Begin by mayors A-Shawa and Friej was the first time either of them had been received in the Prime Minister's Office in Jerusalem. In the past, their dealings with the Israeli government were conducted through the Defense Ministry office in Tel Aviv.

The two mayors, regarded as moderates among Palestinian leaders in the occupied territories, were apparently abashed by the failure of their encounter with Begin. They left his office through a side door and refused to speak to reporters.

Begin told reporters afterwards that he had explained to them that the review board's decision was not the final word since the deportees have recourse to the Supreme Court. "I told them I cannot grant their request to intervene with the court's decision. If I would have granted their request, it would have meant bypassing the Supreme Court and that I could not do," Begin said.

Kawasme and Milhim, who remain in custody near the Allenby Bridge, went on a hunger strike Monday. A demonstration by their relatives outside the Prime Minister's Office was dispersed without incident. Langer said she would demand that the two men be transferred to a regular place of detention where they could receive medical attention.

Meanwhile, attempts by their supporters to convince the mayors in the occupied territories to resign en masse as a gesture of solidarity with the deportees have so far failed. Mayor Ibrahim Tawil of El Bireh spoke by telephone last night to Mayor Bassam Shaka of Nablus and Karim Khalaf of Ramallah on the subject, but apparently got no commitment.

Relatives of the deportees appealed in vain to Mayor Friej to resign but he refused. Military Government officials are convinced that there will be no mass resignations because, they said, the mayors know that this time their resignations may be accepted.

#### 90 BILLION SHEKEL BUDGET PRESENTED TO THE KNESSET; NO-CONFIDENCE MOTION ON ECONOMIC POLICY LOSES BY 59-42 By Gil Sedan

JERUSALEM, Oct. 22 (JTA) -- Finance Minister Yigal Hurwitz submitted a 90 billion Shekel revised budget to the Knesset yesterday. At the same time, he credited his fiscal policies with holding down inflation and substantially improving Israel's balance of payments situation.

He acknowledged that heavy defense expenditures and the general recession pose serious economic problems.

A no-confidence motion on Hurwitz's economic policy was handily defeated in the Knesset today by a vote of 59-42, after which the Knesset approved the amended budget. The motion, introduced by the opposition Labor Alignment, was the first since the Knesset began its winter session earlier this month. The Alignment summoned home several of its members traveling abroad to participate in the vote although it was clear that the government enjoyed a substantial majority.

Hurwitz said the 1980-81 budget had to be revised at midpoint because at the start of the fiscal year the Treasury did not know if it would succeed in containing the inflation rate and whether wage settlements would be reasonable. He said that when he took office a year ago, the inflation rate was expected to reach 170 percent but the steps he took put a brake on the spiral which has stabilized at 125 percent.

#### Brightest Part Of Economic Picture

The brightest part of the economic picture, he said, was the decline in Israel's balance of payments deficit by \$1 billion more than had been forecast at the beginning of the year. At the same time, however, Israel has been forced to spend an extra \$1 billion on fuel, he said.

Hurwitz claimed that real wages have been preserved in all sectors and workers have been compensated for price increases. The problem now is to restrain spending as much as possible, he said, noting that the deficit remains high and revenue has been reduced because of the recession. He mentioned the problems of covering the budgets of Kupat Holim, the Histadrut sick-fund, local municipalities, universities and other institutions which have legitimate demands.

But the government still spends too much and all cuts introduced so far were cancelled out by defense spending, he said. The infrastructure and investments have suffered but welfare has remained constant. The issue is whether the government should contain inflation first and only then bring the rate down, he said.

#### TERRORIST BASE IN LEBANON ATTACKED

TEL AVIV, Oct. 22 (JTA) -- Israel Air Force planes attacked a terrorist base in Lebanon south of Beirut this afternoon and returned safely to their bases, a military communique said. It was the second Israeli attack on terrorist targets in Lebanon this month within the framework of Israel's policy of pre-emptive action to prevent terrorists from launching attacks on Israel. The terrorist bases were also attacked last Thursday night.

"We cannot wait until marauders reach Nahariya or Migdal Am once again," Premier Menachem Begin declared after today's air attack. He said it was effective in forestalling a terrorist raid on Israel. According to Lebanese sources, the Israeli air raid lasted over an hour. Ambulances were seen speeding southward from Beirut, apparently to evacuate casualties.

JERUSALEM (JTA) -- The chairman of the Board of Institutions of Higher Learning, Amos Horev, said Tuesday the current financial crisis might cause universities to shut down. He told the Knesset Education Committee that universities were short 400 million Shekels and it is not clear where the funds to continue operations would come from. The committee called for an urgent meeting with the Finance and Education ministers.

OSIDACH TRIAL TO RESUME NOV. 17

PHILADELPHIA, Oct. 22 (JTA) — The trial of accused war criminal Włodimir Osidach, which opened here Sept. 25, and was briefly adjourned earlier this month due to his hospitalization with chest pains, is scheduled to resume Nov. 17, it was reported by Jewish Exponent News Editor David Gross. At that time the prosecution and the defense will submit their "requests for findings of fact and conclusions of law" — showing what each side feels the evidence has proven and the law requires — and present their final arguments.

The defense rested its case last week without Osidach having taken the stand on his own behalf. Defense attorney Louis Konowol had offered to let the 76-year-old Logan resident testify as long as his time on the stand was limited, but he also submitted a physician's letter asserting that Osidach, who has a history of heart trouble, could testify only if his medical condition was "stable."

U.S. District Judge Louis Bechtle, who has been hearing the denaturalization case without a jury and had postponed the proceedings for two weeks while Osidach was hospitalized, ruled that the court could not be responsible for the defendant's health in the absence of a physician. Since Osidach could not afford to keep a physician in attendance — the government had provided such a service while he was a prosecution witness — the prosecution and defense agreed that his earlier deposition would be admitted as evidence.

The government also stipulated for the record that Osidach would have testified to several things had he taken the stand, but not that those things were true. Among those was that he had hidden a Jewish family — a woman and child named Landau — in his cellar during the Nazi occupation of the Ukrainian village of Rawa Ruska. He also would have said that he was not involved with the Jewish ghetto while serving as a Ukrainian militiaman — before he became police chief — and would have disputed several specific points about locations and names about which prosecution witnesses had testified.

The government also agreed to admit the deposition of Osidach's wife Iwanna rather than having her take the stand. Konowol added that Osidach would have stated that he helped a young Jewish girl obtain an identity card, but Justice Department prosecutor Neal Sher would not stipulate that because it is not contained in Osidach's deposition. Konowol also maintained that a photograph of Osidach in uniform published in the Daily News was not really a picture of the defendant.

CANADIAN JEWISH COMMUNITY PROTESTS AGAINST AIR TIME GIVEN TO KKK REPS

By Ben Kayfetz

TORONTO, Oct. 22 (JTA) — The National Joint Community Relations Committee of the Canadian Jewish Congress and B'nai B'rith have protested to the Canadian Radio, Television and Telecommunications Commission (CRTC) about the number of radio stations which have placed their "hot-line" or "open mike" programs of the disposal of a small self-styled Ku Klux Klan unit in Toronto.

The protest, in the form of a memorandum, noted that some of the stations which provided air time for KKK representatives were CHIN

and CKEY in Toronto, CKOC in Hamilton and CHEX in Peterborough, all in the province of Ontario. In at least one instance, a talk show on CKEY with a KKK representative was rebroadcast to Western Canada on a hook-up and calls were received from Western Canadian points, the memorandum noted.

According to the memorandum, CHOK in Sarnia was so encouraged by its open line interview with a KKK representative "that three days later it scheduled an avowed neo-Nazi, Martin Weiche of London, Ontario, to appear on the same program." The show was cancelled, however, because of protests.

Freedom Is Not License

Radio station owners, their aides and lawyers contended that the interviews complied with free speech. The memorandum agreed that "As a community and as Canadians we can flourish best in an open society which enjoys political democracy and freedom of speech and discussion. This does not, however, mean giving license to propagandists to disseminate hatred between various classes of citizens and non-citizens. That is the road to debasement of the political coinnage."

The memorandum concluded by noting that "the radio stations hold their licenses as a public trust. We appeal to the Commission to ensure that this trust is lived up to in a responsible manner."

A similar point was made by Rabbi Jordan Pearson, chairman of the National Joint Community Relations Committee, who presented the memorandum to the CRTC. He told CRTC members that no radio station would be permitted to let a drug addict give explicit instructions on how to use narcotics, yet hate mongers are allowed free rein on the talk shows.

ACCORD SIGNED FOR U.S. DISTRIBUTION OF ISRAELI-MADE ARAVA COMMUTER PLANE

LOS ANGELES, Oct. 22 (JTA) — An exclusive agreement for U.S. distribution of the Arava, 18 to 20 passenger commuter airplane manufactured in Israel, has been announced jointly by Gabriel Gidor, president of Israel Aircraft Industries in Tel Aviv, and Michael Savage, executive vice president of Consolidated Aircraft in Beverly Hills.

The Arava, to be known in the United States as the CommuterLiner, has been certified by the Federal Aviation Administration, the announcement said. The first aircraft will be arriving in this country on Nov. 1. Consolidated Aircraft has projected sales in the first year of 20 aircraft to serve the needs of the rapidly expanding commuter industry here, according to the announcement.

The Arava, unique for its swing-tail cargo handling capability, can be converted to comfortable, wide-body passenger configuration within minutes. Israel Aircraft Industries has sold 86 Arava airplanes during the past eight years in countries throughout the world. The cost for each airplane delivered in the United States is \$1,650,000, the announcement noted.

JNF HONORS COSTA RICAN STATESMAN

JERUSALEM, Oct. 22 (JTA) — Costa Rica's envoy to the United Nations in the late 1940s, Ricardo Fournier, played a key role in helping the Zionist movement win a majority for sovereignty. Last week, his memory was honored by the Jewish National Fund in a ceremony at the Peace Forest near Jerusalem, attended by Costa Rican Ambassador Ronald Fernandez Pinto and senior Foreign Ministry and JNF officials. Fournier's daughter spoke of her father's love of the Zionist cause, and planted a tree in his memory.