

# JTA daily news bulletin

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Published by Jewish Telegraphic Agency / 165 West 48th Street / New York, New York 10036

Vol. LIX - 64th Year

Friday, February 27, 1981

H.U.C. J.T.R. CINCINNATI

No. 40

## SPECIAL TO THE JTA

### JEWISH GROUPS SEEKING TO DEVISE WAYS OF DEALING WITH THE MASSIVE BUDGET CUTS PROPOSED BY REAGAN

By David Friedman

NEW YORK, Feb. 26 (JTA) -- National and local Jewish organizations are trying to assess the impact on the Jewish community of the massive budget cuts proposed by President Reagan and to devise means of dealing with this new situation.

But although the Administration will not formally introduce in Congress until March 10 its proposed budget for the 1982 fiscal year, which begins Oct. 1, the Jewish Telegraphic Agency, in a survey it conducted, found that most organizations expect many of their programs to be hit, particularly those dealing with the poor, the elderly, the young.

This is because Reagan's Administration has already announced plans to cut \$41.4 billion from 83 federal programs in 1982 and make even deeper cuts in succeeding years. The Republican-controlled Senate is expected to attempt to pass the President's budget as swiftly as possible, but there are signs that the Democratic-controlled House may seek to delay action in an effort to prevent some of the cuts.

Meanwhile, Reagan announced yesterday that he wants to cut another \$3 to \$5 billion so that the Administration can hold to its goal of a federal spending ceiling of \$695.5 billion in 1982.

#### Reasons To Be Anxious

No one is against taking steps to "tighten up programs," Albert Chernin, executive vice president of the National Jewish Community Relations Advisory Council (NJCRAC), said. He said the NJCRAC has not "arrived at a definitive judgement" on the proposed reductions, but there is "reason to be somewhat anxious."

The NJCRAC's Commission on Equal Opportunity and the Committee on Public Issues of the Council of Jewish Federations (CJF) will hold a joint meeting here March 13 to assess the "implications" of the Administration proposals and to decide "what posture" to take toward them. He said that along with assessing the impact on the Jewish community, the "broader implications" for the entire country will also be discussed. The CJF will discuss the issue at its quarterly board meeting in Washington April 8-10.

The American Jewish Congress, at the meeting of its Executive Committee and Governing Council March 7-8 here, plans to launch a "national mobilization" to "prevent the undoing of the progress that has been achieved in recent years in the area of social justice."

Locally, the Federation of Jewish Philanthropies of New York (FJP) has scheduled a meeting March 2 to "develop a priority list of major programs to at least minimize the cuts," according to David Liederman, the FJP's director of government relations. He said the FJP plans to work together with the federations of the other large cities all of which have similar problems.

#### Areas and People The Cuts Would Affect

The proposed cuts would have "a serious impact on a lot of programs that we care about," Liederman said. He explained that they effect social services, senior centers, day care centers, home care for the elderly, child care programs, in fact, "almost every major program we have."

Rabbi David Cohen, executive director of the Metropolitan New York Coordinating Council on Jewish Poverty, said there were an estimated 250,000 Jewish poor and near-poor in New York City. He said most of these Jews are the near-poor: the elderly; large families, such as the Hasidim; and new immigrants, particularly Soviet Jews.

It is the near-poor that the budget cuts will hurt the most, since the essence of the Reagan proposals is to reduce the number of people eligible for social programs. "That's where our people find themselves," Cohen said.

As an example, Cohen pointed to the Administration's plan to reduce those eligible for food stamps by lowering the maximum earnings a person could make and still be able to receive the stamps. Many elderly Jews on Social Security who have been getting food stamps will then be no longer eligible, he added.

Cohen said thousands of Jews in New York are now receiving food stamps. Liederman put the figure at tens of thousands, although he said it probably was not as high as 100,000.

Another example given by Cohen was the Administration's plan to have the states take over Medicaid. He said this would eventually result in a cut in money available for the program and thus lead to reducing those eligible for Medicaid.

The same goes for the proposal to reduce federal rental assistance. Cohen stressed that in most cases it is not different people being hurt by cuts in each program, but the same people who need assistance from a wide variety of programs.

#### Programs Will Also Be Hurt

In addition to the impact on individuals, the cutbacks will also hurt programs sponsored by Jewish organizations. All the persons who spoke to the JTA noted the serious problem that would result from the Administration's plans to phase out the Comprehensive Employment and Training Act (CETA).

Many Jewish organizations are able to get workers at reasonable salaries to perform essential services, Cohen noted. Many special programs operated by Jewish organizations have CETA workers. Liederman pointed out that CETA uses people who otherwise would be on welfare and who, in many cases, would now have to go back on welfare.

The Reagan Administration also has proposed combining much of the social programs which fund senior centers, day care centers, home care for the elderly and combine them with other categorical grants to give them to the states in block grants and then cut the total figure by 25 percent.

Cohen was especially concerned about the block grant proposal which is based on the Administration philosophy that the states should have less federal control over their programs. He said that with categorical grants, the states and cities are required to

use the funds for programs approved by Congress. But with block grants, the states and cities may use the money for other purposes, Cohen warned. He said that since states and cities now face budget "crunches" they might want to use the funds for what they consider "essential services"—police, fire protection, sanitation—rather than to meet social needs.

#### Other Issues Of Concern

There are also other concerns within the Jewish community that other types of programs may be harmed. Frieda Lewis, president of Hadassah, at a recent seminar on educating retarded children, said that while she understands "the effects of inflation and the need for austerity," the U.S. "must be discriminating. When apolitical agencies—such as UNICEF—would be cut back to its 1980 budget, we urge that Congress consider not only the lifesaving role played by such an agency, but the deleterious effect of the perception of the United States as a compassionate and as a dependable ally. The preservation of other people also contributes to our own security."

Phil Baum, associate executive director of the AJCongress, said that "We will be watching very carefully to see whether the President's budget calls for any reduction in the funding for an enforcement of the law prohibiting U.S. companies with complying with the Arab boycott of Israel and with the search and prosecution of Nazi war criminals in the United States. Thus far, there is no indication of any such cuts."

Meanwhile, more than 100 Congressmen led by Reps. Hamilton Fish (R. N.Y.) and William Lehman (D. Fla.) have sent Reagan a letter urging that no cuts be made that might adversely affect the work of the Department of Justice's Office of Special Investigation which is charged with prosecuting any Nazi war criminals living in the U.S.

#### MULTI-NATIONAL FORCE IN SINAI SEEN LIKELY BEFORE ISRAEL WITHDRAWS FROM THE AREA IN 1982

By Gil Sedani

JERUSALEM, Feb. 26 (JTA) — A Reagan Administration official expressed confidence here yesterday that a multi-national force to patrol Sinai could be established by the time Israel completes its withdrawal from the peninsula in April, 1982. Michael Stern, Deputy Assistant Secretary of State for Middle East Affairs, said the U.S. has given the multi-national force a high priority despite possible difficulties.

Stern arrived here yesterday for two days of meetings on the subject of the multi-national force with David Kimche, Director General of the Foreign Ministry. He conceded that negotiations on that matter "will be complicated in some ways." He declined to say if the U.S. would be willing to constitute the force unilaterally and stressed that its composition depended on agreement by both Israel and Egypt. He will go to Cairo over the weekend.

Stern made his comments a day after Premier Menachem Begin warned that Israel would delay its withdrawal from Sinai if the U.S. failed to organize the peacekeeping force called for in the Egyptian-Israeli peace treaty. Moshe Arens, chairman of the Knesset's Foreign Affairs and Security Committee, went even further, suggesting that Israel should re-examine its withdrawal from Sharm el-Sheikh and the Sinai airfields under any circumstances.

#### DAYAN RAPPED FOR PUBLICLY DESCRIBING MEETING WITH HUSSEIN

By Hugh Orgel

TEL AVIV, Feb. 26 (JTA) — Former Foreign Minister Moshe Dayan was sharply criticized today for making public impressions of King Hussein of Jordan which could foreclose the possibility of future secret contacts with him or other Arab leaders as a prelude to peace negotiations.

Dayan's view that the Jordanian ruler will never make peace with Israel on the basis of territorial compromise on the West Bank, as advocated by the Labor Party, is contained in his new book, "Shall We Eternally Face Swords?"

The memoirs will be published here shortly and will be serialized in an Israeli newspaper beginning this weekend. Extracts, read over national television last night, described Dayan's last secret meeting with Hussein in London in 1977.

The former Israeli minister claimed Hussein was a "changed" man, introverted and replying to questions with monosyllabic "yes" or "no." This led Dayan to conclude that an Israeli-Jordanian settlement based on partition of the West Bank would have to be "forced" on Hussein.

Former Foreign Minister Abba Eban responded immediately after the TV reading. He observed that the most effective way to prevent secret contacts such as Dayan himself had with Hussein was by talking or writing about them.

Much of Dayan's book is concerned with the author's role in the Camp David meetings in September, 1978. He praised Premier Menachem Begin for showing "flexibility" but criticized him at the same time for believing excessively in his own intellectual capacity and his ability to run Israel's foreign affairs without help. According to Dayan, Begin was relieved when he resigned as Foreign Minister in October, 1979 over fundamental policy differences.

#### Claims U.S. 'Bugged' Israeli Leaders

Dayan's book also charges that the quarters assigned to the Israeli leaders at Camp David during the 17 days of deliberations were "bugged" by the Americans. He claims that President Carter inadvertently revealed this when he remarked to Dayan that the Israelis said one thing to the American negotiators but spoke differently in private conversations among themselves.

Dayan also describes his three meetings with Moroccan and Egyptian officials in Morocco in 1977 which led to President Anwar Sadat's historic visit to Jerusalem in November of that year. He said that the then Egyptian Prime Minister, Hassan Taha, revealed to him that a senior Israeli army officer had been an Egyptian spy during the 1967 Six-Day War when Dayan was Chief of Staff.

In his book, Dayan said it was his intention to retire from political life when he completes his current Knesset term. Later, however, he has spoken of organizing a new political party under his leadership to run in the June 30 elections. He also said he has not excluded entirely the possibility of rejoining the Labor Party. That "feeler" which surfaced last week got an icy reception in Labor Party circles.

#### REAGAN ADMINISTRATION PROPOSES \$2.185 BILLION IN AID TO ISRAEL BUT SEEMS TO RULE OUT FORGIVENESS ON ISRAEL'S INDEBTEDNESS TO U.S.

By Joseph Polakoff

WASHINGTON, Feb. 26 (JTA) — The Reagan Administration proposed today that the U.S. provide \$2.185 billion in assistance to Israel in the new fis-

cal year starting next Oct. 1 but appeared to rule out forgiveness of any part of Israel's \$17.4 billion of indebtedness to the U.S.

The levels of the proposed aid for the coming fiscal year are the same as that being provided this year, \$1.4 billion in military assistance and \$785 million in economic aid. The current \$1.4 billion was increased to that level by Congress last year when it added \$200 million to the Carter Administration's proposal.

#### Elements In The Aid Package

Two-thirds of the \$785 million in economic aid will be a grant. The remaining one-third will be at interest of 2 percent for 10 years and 3 percent for the next 20 years when the loans mature. Of the military aid, \$900 million will be a 10-year loan, followed by a 20-year period of repayment of the principal at interest equal to the cost of funds to the U.S. Treasury at the time of disbursement. At present, the Treasury borrows money at approximately 15 percent.

"We are proposing forgiveness of Israel's principal and interest obligations for the remaining \$500 million," according to Joseph Wheeler, Deputy Administrator of the Agency for International Development (AID), who was one of the Reagan Administration's top officials testifying on aid to Israel before the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee.

Besides these sums, Wheeler observed, Israel will get about \$600 million from the special deployment assistance package approved three years ago with relation to Israel's withdrawal from Sinai. Therefore, in the new fiscal year, Israel will get the amount of \$2.8 billion. But Israel will return principal and interest of approximately \$700 million to the U.S. so the net aid will be about \$2.1 billion.

Wheeler told Rep. Millicent Fenwick (R. N.J.) that all of the military aid will be spent in the U.S. and that Israel's civilian imports from the U.S. are about \$1.5 billion a year which is well above the economic aid. "Conceptually, all of the U.S. assistance to Israel is spent in the U.S.," he testified.

Wheeler replied "no" to Rep. Dean Hamilton (D. Ind.), the subcommittee chairman, when asked if the Reagan Administration was giving "any consideration" to a cancellation of Israel's outstanding loans and if the U.S. is giving "any help" on Israel's exports.

Israel has been seeking co-production opportunities on U.S. military equipment and other manufactures to improve its exports and cut its defense costs. Wheeler's prepared statement said that in Israel's budget, 60 percent goes for defense and public debt servicing.

#### Israel's Economic Situation Assessed

He testified that Israel achieved an overall balance of payments surplus in 1980 and was able to increase its foreign exchange holdings by about \$200 million. But, "despite these successes, Israel's basic problems remain unresolved," he said. These include inflation, with the consumer price index up to 133 percent in 1980 compared to 111 percent in 1979. Israel also seeks "to restore equilibrium in the balance of payments to avoid substantial increases in unemployment," Wheeler said.

He told the subcommittee that Israel has scored "a major achievement" economically. While noting the billion dollar increase in its

oil import bill, resulting largely from the return of the Alma oilfields in Sinai to Egypt, he said that "with rapid, but feasible, increases in exports of goods and services, servicing external debt will remain manageable." Israel owes \$7 billion to the U.S. government and more than \$10 billion to commercial banks and other non-governmental sources, Wheeler said.

To some observers, the impression left by the testimony of Administration officials appeared to be that Israel can get along without cancellation of its loans by the U.S. Wheeler said Israel's exports increased by \$2 billion in 1980. This "was made possible in part by reduced growth in the domestic economy and the possibilities of earning larger profits by selling overseas rather than at home," he said.

When Rep. L.H. Fountain (D. NC) noted the U.S. government debt of "a trillion dollars" and asked if commercial banks would be willing to service Israel, Wheeler responded that "There's no hesitation in the banking community to lend to Israel." He said Israel's debt is "within international norms" and observed that "Israel has such an excellent record of paying its debts."

#### Issues Of The Settlements And Jerusalem

Morris Draper, Deputy Assistant Secretary of State for Middle East Affairs, drew laughter in response to Rep. Bob Shamansky (D. Ohio) who asked for an explicit statement on President Reagan's view that Israeli settlements in the occupied Arab territories are not illegal, while President Carter held they were illegal. "There are differences of opinion within the Administration but I am not about to say President Reagan made a mistake," Draper replied.

Draper remarked, however, that "the settlement activity constitutes a problem and a difficulty for the peace process." Pursuing that subject, Rep. Stephen Solarz (D. NY) asked Draper if there were differences between the Reagan and Carter Administration on the Camp David agreement. He replied, "none."

Asked if there has been a change on the Jerusalem issue, Draper observed that "there could be differences in nuance" but he would not elaborate. He repeated his view on the "problems" raised by the settlements. With respect to the Palestine Liberation Organization, he said the U.S. would not negotiate with it until it recognizes Israel and accepts United Nations Security Council Resolution 242.

Solarz summed up Draper's testimony by saying, "At least, I can conclude that on these four issues — Camp David, Jerusalem, the settlements and the PLO — there is no difference between the current and previous administrations."

Rep. Jonathan Bingham (D. NY) said he was disturbed by testimony that Israel is a welfare state which, he indicated, connotes a poor image of Israel in the present political climate. Wheeler replied that Israel's living standard "on an average" compares with Greece, Italy and Spain but that "probably there is greater equity in Israel in that the poorer people are better off than in those three countries."

Wheeler said the Reagan Administration is proposing \$6 million for four U.S. voluntary agencies on the West Bank and Gaza Strip and \$4 million to promote cooperation between Israel and its Arab neighbors, "especially Egypt" in "a number of possible fields." He said he expected almost \$5 million to be obligated in the current year on such projects. He spoke of Egyptians, Israelis and American institutions performing cooperative research in aquaculture, prevention of shore erosion and the impact of the Aswan Dam on the Eastern Mediterranean.

### 500 STUDENTS FROM 25 CAMPUSES URGE CONGRESS TO SUPPORT PROGRAMS THAT ARE HELPFUL TO SOVIET JEWRY

By Joseph Polakoff

WASHINGTON, Feb. 26 (JTA) — More than 500 students from some 25 campuses contacted 378 of the 535 members of the U.S. Senate and House yesterday with appeals for continuation by Congress of its support for programs helpful to Soviet Jewry.

Their activity was sponsored by the Student Coalition for Soviet Jewry which was founded five years ago at Brandeis University and where it maintains its headquarters. Beth Waxman, a Brandeis senior majoring in Judaic studies who is the Coalition's public relations chairperson, said the number of students taking part in this annual program set a record.

She said 185 members of the Senate and House were personally addressed with a student from the member's home state taking part. In addition, packets outlining the need to maintain support for Soviet Jewry were left in the offices of 193 Senators and Representatives of states in which the Coalition did not have a student constituent. Most of the students were from Massachusetts, New York, Pennsylvania and the Washington area.

The program was highlighted by a program at which Sen. Edward Kennedy (D. Mass.), Rep. Norman Mineta (D. Calif.), Rep. Millicent Fenwick (R. N.J.) and Michael Brailovsky, brother of imprisoned Prisoner of Conscience Viktor Brailovsky, were among the speakers.

Michael, allowed to emigrate four years ago from the Soviet Union, now lives in Israel. Viktor was arrested last November in Moscow for alleged slander against the Soviet government. Aides to Senators Rudy Boschwitz (R. Minn.) and Carl Levin (D. Mich.) also took part in the program. Neither Senator was in Washington.

### Students Urged To Continue Struggle

Kennedy urged the students to continue their struggle to help Soviet Jews. "We must not forget the many Prisoners of Conscience still detained," he said. "We must not forget Viktor Brailovsky, Anatoly Shcharansky, Ida Nudel and many other courageous men and women whose daily struggle for freedom goes on. Above all, let us pledge that America shall always stand as a beacon to the world for the great principles of human rights."

Mineta and Fenwick, who keynoted the program, urged the students to make their views known to the Soviet leadership on the linkage between emigration and cultural rights for Soviet Jews and normal Soviet-American relationships.

Mineta, who was said to have become a partisan of Soviet Jewry after he had been briefed by a student on the Coalition three years ago, said "The prestige and the power of the Presidency must be brought to bear to send a clear message to the Soviet leadership that freedom of emigration is an essential prerequisite for normal relations with our country. The spotlight of international public opinion must be cast on the Soviets and their policies."

Donna Borjarsky, of Los Angeles, a Brandeis senior in political science, heads the Coalition this year. Other leaders, all of Brandeis, are Eric Mattenson, of Chicago, a senior in economics; Stephen Robinowitz, of Brooklyn, N.Y., a sophomore in history; and Michael Friedland, of Chicago, a sophomore in Jewish studies.

### KNESSET PANEL CALLS ON ISRAELI ZIONIST GROUPS IN THE DIASPORA TO END AID, EMPLOYMENT TO YORDIM

By Gil Sedan

JERUSALEM, Feb. 26 (JTA) — The Knesset's Immigration and Absorption Committee called on all Israeli and Zionist bodies abroad to fire yordim and halt any other action which may legitimize yerida. The Committee defined yordim as Israelis who have settled overseas permanently or who have lived away from Israel for more than five years.

The recommendations were addressed to Israeli diplomatic and other missions abroad, educational institutions of the World Zionist Organization and other bodies. It called on Foreign Ministry and Zionist missions overseas to limit the terms of their official emissaries to three years because a longer time period "might cause a break in the contact between the emissary and his family and the country."

Other specific recommendations were that the United Jewish Appeal abolish immediately its "Israeli Department" which is active among Israelis living abroad; that the Israel Broadcasting Authority remove from the air immediately its weekly Hebrew television program for Israelis residing in New York, which is funded by Israel; and that national insurance payments to yordim be stopped immediately. It also demanded that the government revoke the passports of Israelis who have lived abroad for more than five years.

### Measures Reflect Concern Over Yerida

The harsh measures recommended reflected the committee's concern over the apparent increase in yerida this year, which is expected to reach 15,000, and the fact that there are more Israel-born professionals and army veterans among these yordim than in past years. They outnumber foreign-born immigrants who left the country out of frustration, the committee said.

According to the Knesset body, the main cause of yerida was lack of national and Zionist identification and lack of appreciation of such basic values as home, country, language and culture. But the committee acknowledged that social issues were also responsible when it recommended that the State ensure adequate housing and employment for veterans similar to the benefits accorded new immigrants.

It also recommended that the government concentrate on efforts to prevent yerida and action among yordim to encourage them to return. It expressed concern over what it saw as a lack of coordination among the various bodies dealing with the matter and suggested that the Prime Minister's Office coordinate these efforts.

### PODOLIER SOCIETY CONTRIBUTES \$25,000 TO PROJECT RENEWAL

LOS ANGELES, Feb. 26 (JTA) — The Podolier Society of Los Angeles has contributed \$25,000 to Project Renewal, to support the renovation and rehabilitation program in Musrara, a distressed neighborhood in Jerusalem. Los Angeles has been matched with it. It is the most recent major donation made by local organizations to Project Renewal.

"The organized Jewish community of Los Angeles has been linked with Musrara, as part of the worldwide partnership between the Jews of the free world and the people of Israel who exist on a marginal basis," said Richard Gunther, chairman of the Los Angeles Committee. The \$25,000 contribution was made in the name of Julius Goren, a founder of the Society, which was formed in 1944 by people who originally came from the same area of the Ukraine.