

JTA daily news bulletin

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Published by Jewish Telegraphic Agency / 165 West 46th Street / New York, New York 10036

MAY 21 1981

Vol. LIX - 64th Year

Monday, May 18, 1981

No. 94

10 IRANIAN JEWS, INCLUDING ACTING CHIEF RABBI, HAVE BEEN DETAINED

JERUSALEM, May 17 (JTA) -- Ten Iranian Jews, among them the acting Chief Rabbi, Baruch Cohen-Tzedek, have been detained by the Iranian authorities for allegedly helping other Jews to leave the country, according to reports reaching Israel.

The reports were disclosed today by Likud Knesset member Moshe Katzav, chairman of the Iranian Immigrants Association in Israel. He said the 10 were promised they would be released in exchange for large sums of ransom money -- but the promise has not been kept. Among those detained is the wife of Rabbi Cohen-Tzedek and other well known members of the community.

MIDEAST DIPLOMACY IN HIGH GEAR; BEGIN RECOMMENDS GIVING HABIB TIME TO DEFUSE SITUATION IN LEBANON

By David Landau and Hugh Orgel

JERUSALEM, May 17 (JTA) -- American shuttle diplomacy accelerated over the weekend as U.S. special envoy Philip Habib flew to Riyadh yesterday in an attempt to enlist Saudi Arabia's support in his last ditch efforts to avert a military confrontation between Israel and Syria over Syria's deployment of SAM-6 anti-aircraft missiles in central Lebanon.

Although Damascus insists that the missiles will not be removed, the Cabinet today unanimously approved Premier Menachem Begin's recommendation that Israel give Habib additional time -- how long was not specified -- to seek a peaceful resolution of the crisis.

"We don't want war," Begin declared after the Cabinet held its weekly session in camera as a Ministerial Defense Committee. "We shall know much more, perhaps we shall know everything" on Tuesday, Begin said. Habib is due back here Tuesday morning.

Habib's purpose in visiting Saudi Arabia, after an apparently fruitless third round of talks in Beirut, Damascus and Jerusalem, is to induce the Saudis to bring their powerful influence to bear on President Hafez Assad of Syria for a peaceful solution. Before he left Riyadh this afternoon, the Saudi government published a strong statement of support for the Syrians. At first sign this seemed to indicate that Habib had failed again. The statement condemned Israel's "expansionist intentions" as revealed by its behavior in Lebanon.

The Role Of Saudi Arabia

But there is still hope among observers here that the American envoy may have spurred the Saudis to some action. A Saudi minister was reported to be enroute to Damascus this evening with a personal letter to Assad from Crown Prince Fahd. According to the same report, the Saudi and Syrian Foreign Ministers spoke earlier by telephone.

Israeli observers know that Saudi Arabia has clout in Damascus. Until recently, the Saudis have been paying some \$50 million a month to cover the costs of the Syrian peacekeeping force sent to Lebanon in 1976 by the Arab League. That

money, since cut off, could be a powerful incentive to Assad and his government to accede to Saudi wishes. If the Saudis indeed want the present crisis to end without an outbreak of hostility in the region, they are expected to exert their leverage.

On the other hand, observers here said, the missile crisis and Assad's headline stance have already paid handsome dividends for Syria in terms of Arab world support. Both Iran and Iraq, though at war with each other, have publicly expressed support for Syria. So has Jordan and several of the Persian Gulf states.

This represents a radical change inasmuch as Syria has been the pariah of the Arab world in recent months because it was one of the very few Moslem countries to support the Soviet invasion of Afghanistan and to side with Iran in its conflict with Iraq.

It remains to be seen whether Assad can capitalize on his diplomatic success without risking military defeat by Israel, observers here said.

Haig Told Habib To Go To Riyadh

Begin disclosed today that Secretary of State Alexander Haig instructed Habib to go to Riyadh, indicating that Washington at least believes a peaceful resolution of the crisis is still possible. Begin said he told Habib, at their last meeting in Tel Aviv Friday, that he could not commit the Cabinet to agree to the American request for "more time" but that he would recommend it. In the event, "Israel has agreed to give more time and another chance" to the diplomatic effort, Begin said.

Habib, a veteran career diplomat called out of retirement by President Reagan to try to defuse the missile crisis, pursued his mission at a frantic pace last week. He arrived in Jerusalem Monday after talks in Beirut and Damascus, left Wednesday for a second round of meetings with Lebanese and Syrian leaders and was back in Israel Thursday and Friday before taking off for Riyadh.

While reports from official and semi-official sources in Damascus did not deviate from Assad's hard line, well placed Israeli sources have cautioned against taking Syrian statements at face value. They observed that Damascus might be "speaking in two languages, one for local consumption and the other for Habib and the negotiating process."

Meanwhile, Chief of Staff Gen. Rafael Eitan said on a television interview last Thursday night that Syria is on an "unusually high degree of alert" in both the military and civilian sectors. But their posture is still defensive, he said. He said he was convinced that the Syrian alert was in response to the situation inside Lebanon itself and not a premeditated move to provoke Israel.

ROLE OF SOVIETS ASSESSED

By Gil Sedan and Hugh Orgel

JERUSALEM, May 17 (JTA) -- A Soviet naval squadron is cruising the eastern Mediterranean off the Lebanese coast but an Israeli expert said today that it was more a symbolic gesture than an act of deterrence in the current missile crisis between

Syria and Israel. A three ship U.S. Navy task force has turned up in the same area, though according to Pentagon sources it is there by chance and not in response to the Russian presence.

The Soviet squadron is headed by the 35,000 ton anti-submarine helicopter carrier Moskva. Dr. Amnon Sella, head of the Hebrew University's Institute for Soviet Affairs, said on an Army Radio interview that the Soviets were sending several signals. One, he said, was directed to Syria as a show of solidarity and another to Israel as a warning and a third aimed at the Americans to show that the Soviets considered themselves partners in any possible solution of the present crisis.

Sella said the Russians are not interested in a full-scale war erupting between Syria and Israel at this time because they are aware that the balance of power favors Israel. If they could guarantee a limited, controlled confrontation that would bring them back as full partners in any Middle East negotiations, they probably would have opted for such a development by now, he said.

(Reports from Moscow yesterday quoted a senior Communist Party official, Leonid Zamyatin, as saying on a television interview that the "dangerous" situation in Lebanon "calls for patient negotiations and for peaceful means of solving this question." Zamyatin, who heads the international information department of the Communist Party's Central Committee, gave the Russian public its first official Soviet assessment of the missile crisis. He blamed Israel for the tension, spoke in derogatory terms of American efforts to mediate but gave no hint of any Soviet involvement.)

Notes Low Profile For USSR

According to Sella, Moscow is unhappy with a situation in which it has lost its power to initiate events in the Middle East. Its only allies in the region are Syria and the Palestine Liberation Organization, he said. The Soviets are determined, therefore, to prove to those two that they are reliable and can be trusted in an emergency.

"For the time being, the Soviets adopt a very low profile," Sella said. He noted that even in the recently signed Soviet-Syrian friendship pact, the Soviets offered Damascus only limited backing. The Soviet Ambassador to Beirut, Alexander Soldatov, said over the weekend that there was no relationship between the missile crisis and the Soviet-Syrian treaty of friendship. "They (the Russians) don't want to commit themselves for even the minimum provided for by the treaty," Sella said.

U.S. Show of Strength

Premier Menachem Begin said Friday that the Soviet naval presence in the area was an "international problem" rather than an issue for Israel. But the American force was seen here as a counter-demonstration of strength. It consists of the aircraft carrier Independence with 75 combat planes, the guided missile cruiser Harry E. Yarnall and the destroyer Charles F. Adams.

According to Pentagon sources, these vessels are on their way home from a tour of the Indian Ocean and Persian Gulf where they have been replaced by another American force. The Pentagon did not say whether they would proceed to their home port of Norfolk, Va. or remain in the Mediterranean temporarily with the U.S. Sixth Fleet.

THOUSANDS AT RALLY ASSAIL BEGIN'S POLICY OF HANDLING MISSILE CRISIS

By Hugh Orgel

TEL AVIV, May 17 (JTA) — A large body of military reservists, academicians, students and others demonstrated here against Premier Menachem Begin's handling of the missile crisis with Syria and challenged his contention that a national consensus exists in support of his policies.

The demonstration, called by the Peace Now Movement on less than one day's notice, brought crowds estimated at 3000 to 10,000 into the streets yesterday to demand that the Begin government think before it acts.

Their challenge was backed up by several reserve generals who criticized Begin's position in radio and television interviews over the weekend and by several dozen army reserve officers and soldiers who addressed a letter to Begin as Prime Minister and Minister of Defense Friday calling for "cool and careful" consideration of any moves planned against the anti-aircraft missiles deployed by Syria in central Lebanon.

Although the demonstrators made it clear that the missiles must be removed and they they would fight if called to the colors, they carried placards reading, "Begin's Verbal Barrage Must Be Stopped," "Begin Must Go" and "Political Wisdom, Not Begin's Verbomania."

Since the missile crisis began, Begin has repeatedly warned that Israel will destroy the Syrian SAM-6 batteries unless they are removed. He disclosed in the Knesset last week that he had in fact ordered an air strike on April 30 which was called off only because of bad weather. He implied that he has exercised restraint since then only at the urging of President Reagan who asked Israel to wait until all diplomatic means are exhausted before taking military action.

Urge Exploration Of All Political Options

Members of Peace Now said they would fight in the event of war but they wanted to be certain that all political options had been explored before full-scale fighting broke out. In radio and television interviews, Gen. (Res.) Mussa Peled, a former armored corps commander, and Gen. (Res.) Dan Laner, a former divisional commander, urged the government to "talk less and think more."

Peled said the government has not yet exhausted all diplomatic routes to a peaceful solution of the missile crisis. As things now stand, he said, there is no national consensus in favor of going to war. Laner said the government must study its political options and stop reacting to events. Others who expressed similar views at the rally were Natan Rotenstreich, professor of philosophy at Tel Aviv University; economics professor Assaf Razlhy; and writer Natan Shaham.

The reservists who wrote to Begin last Friday, most of them law students at the Hebrew University in Jerusalem, said their appeal was a "stop sign" signaling the government to think about how to avoid a war. A group of army reservists from kibbutzim in the Negev also urged Begin to "cease pursuing a violent and uncompromising path."

The premier was supported, however, by the settlers of Kiryat Arba on the West Bank who urged him to disregard the appeals by the reservists. But they, too, said that every political effort should be made to solve the missile problem by peaceful means.

SOME 500 ISRAEL BOND ORGANIZATION EMPLOYEES GO OUT ON STRIKE

By Ben Gallob

New York, May 17 (JTA) — Some 500 professional and clerical employees who went on strike last Friday against the State of Israel Bonds continued their strike action today. Picket lines have been set up outside the Israel Bond Organization headquarters here and at 7 regional Bond offices across the country.

Dozens of Israel Bond functions throughout the country, including nine in New York City, were picketed this weekend, according to a spokesman for the Community and Social Employees Union, Local 107, District 1707, of the American Federation of State, County and Municipal Employees. A spokesman for the Israel Bond office said that the national office here and the 70 regional offices were being staffed by executive personnel and open for business as usual.

The strike began after contract talks broke down between the Bond Organization and the union. The current contract expired at midnight last Thursday. Negotiations were scheduled to resume this afternoon.

Union's Viewpoints

Richard Morton, executive director of District Council 1707, said the strike was "forced by the corporation's insistence that the union agree to substantial reductions in its existing health insurance benefits, lower salary increases than in the past two contracts and a change in the payment schedule which would reduce these increments even further — all as a pre-condition to its making a final wage offer."

Morton said "these unreasonable, objectionable and ultimately impossible demands places the responsibility for the strike directly upon the corporation. As a result, the corporation must bear the same responsibility for the economic hardships it is now imposing upon the people of Israel, who are the direct beneficiaries of the investment capital" of Israel Bond funds.

Israel Bond Viewpoint

Yitzhak Rager, president of the Israel Bond Organization, said the union had made demands for increases in wages and benefits "which are impossible for the Bond Organization to meet without placing an additional heavy financial burden on Israel at this critical time when it faces the danger of war."

He asserted that the striking employees "now enjoy salaries, cost of living increases, vacations and pensions that compare very favorably with prevailing levels in this field or industry generally." Rager said that acceptance of the union's demands "would make it uneconomical for Israel to continue the sale of bonds in the future. It is our responsibility to see to it that this needless strike should not interrupt or reduce the flow of Bond dollars into Israel's economy."

In his statement, Morton asserted that the Israel Bond organization cash receipts in 1980 were nearly \$422 million, which he called the highest total in the Israel Bonds Organization's 30-year history, with the exception of the Yom Kippur War year of 1973. He also asserted that those figures "unquestionably refute the corporation's contention that it is not in a suitable financial position to make a fair and reasonable wage offer that our members can accept with dignity."

Morton noted that the union was aware of Israel's "difficult international situation" and that the union was ready to resume contract talks at "any hour of the day or night."

ROTHSCHILD HOPES NEW FRENCH REGIME WILL BE FRIENDLIER TOWARDS ISRAEL

By David Friedman

WASHINGTON, May 17 (JTA) — Alain de Rothschild, president of the Representative Council of Jewish Organizations of France (CRIF), said here today that it is too early to forecast the attitude of the French government under Socialist President Francois Mitterrand, who was elected last Sunday. But he hoped that it will have a "style" that is "warmer and friendlier" to Israel.

De Rothschild, who spoke on the fifth and concluding day of the 75th annual convention of the American Jewish Committee, said the position of the French government will depend upon the outcome of the Parliamentary elections next month. But he said it was hoped that the new government would have a more positive position toward the Camp David agreements and would agree to "disagree in a constructive way" on differences with Israel.

De Rothschild said that French Jews did not vote as a single bloc in the Presidential elections and that CRIF took no position in the election campaign although it asked for statements from all candidates on issues of Jewish concern.

The French Jewish leader stressed that Jews in France, as individuals and as a community, were as safe as anyone could be in this world where terrorism and violence exists. He said the community was concerned about anti-Semitic incidents which culminated in the attack last October on the Rue Copernic synagogue in Paris and earlier on a student kosher cafe.

He said CRIF does not take these incidents lightly and is "vigilant" against any signs of anti-Semitism. But he does not believe vigilante groups are needed to protect the French Jewish community. He added that a majority of the French people is opposed to anti-Semitism.

At the Diamond Jubilee dinner last Thursday night, Edwin Meese, the White House Counselor, said that President Reagan and his Administration "share" the Jewish community's commitment to Israel and to human rights. Meese said that Reagan stood by his pledge during the Holocaust Remembrance Day ceremonies at the White House to fight against prejudice wherever it is found. Meese, one of Reagan's closest aides, did not touch on the Administration's proposal to sell advanced weaponry to Saudi Arabia.

ROME (JTA) — A bomb exploded outside the El Al office last Friday night causing slight damage but no injuries, police said. The blast smashed windows in the office and police temporarily closed off the Via Bissolati, where many airline offices are located. No group claimed responsibility for the incident. A group called the Secret Army for the Liberation of Armenia claimed responsibility for bombing the El Al office here in February, 1980. It was one in a series of bombings police authorities said was set off throughout Europe by Armenian nationalists to protest what they described as the genocide of their people in Turkey during World War I.

TEL AVIV (JTA) — The cost of living index rose by a massive 10.7 percent in April, the Central Bureau of Statistics announced. It was the fourth highest monthly increase ever recorded in Israel's history.

FOCUS ON ISSUES**AMERICAN JEWS IN QUANDRY OVER
ADMINISTRATION'S ECONOMIC PROGRAM**

By David Friedman

WASHINGTON, May 17 (JTA) — The American Jewish community is in a quandry over the Reagan Administration's deep cuts in federal spending for social and economic programs. Many Jews, along with apparently the majority of the American public, support the Administration's economic program, including increased spending for defense, yet the Jewish community remains committed to aiding the poor and disadvantaged.

This dilemma was apparent at the five-day 75th anniversary meeting of the American Jewish Committee at the Washington Hilton here which ended today. There were speakers and some of the 1000 delegates to the meeting from across the country who argued that inflation was the main threat to the United States and particularly to Jews.

A few persons pointed to the Weimar regime in Germany where inflation wiped out the economy and led to the Nazi takeover. But others argued that the AJCommittee and other Jewish organizations cannot abandon the positions on social programs which they have long advocated.

"It is clear that this country is embarked on a new economic course and that for the present, at least, most Americans support the Administration's programs. Bertram Gold, the AJCommittee's executive vice president, said in a keynote speech to the meeting last Friday. "It is equally clear that as a group, we Jews, who have generally favored the welfare state concept, and the creation of social programs on the national level are not at all certain how we feel about it."

The Jewish tradition as it relates to the issue was emphasized by both sides during a workshop session Friday on "The Reagan Revolution: AJC's Domestic Priorities." The importance that many in the Jewish community give to this issue was demonstrated in that it drew the largest number of delegates of six concurrent sessions held on various problems facing Jews in the 1980's.

Says Needy Will Not Be Rejected

Michael Horowitz, special counsel to David Stockman, director of the Office of Management and Budget (OMB), stressed that he had worked as a civil rights lawyer in Mississippi in the 1960's and had supported most of the liberal programs that the Jewish community had backed until he saw the "bankruptcy" of these programs as demonstrated by New York City's fiscal crisis.

Horowitz argued that the Reagan Administration is dedicated to social justice but not in terms of symbols that do not examine whether the programs aimed at helping the disadvantaged actually work. He said the Administration is keeping programs that give cash directly to the poor and eliminating those where "it is not the poor who benefit but public service beneficiaries."

Horowitz claimed that the heart of the cuts, in proportional terms, are out of the middle class and the business community, from where, he said, came the major support that elected President Reagan. The OMB official maintained that Black income rose dramatically in the U.S. from 1959-69 when productivity was high, and fell during the next decade when productivity declined. He stressed that the "poor suffered the most from inflation."

Horowitz stressed that the heart of the Reagan proposals is to return control of government programs

from the federal government to the states and local municipalities and to improve the private sector. He said that the private sector, including voluntary agencies, will have to take more of the social burden.

Jewish Federations Face Immense Losses

But, Mark Talisman, director of the Washington office of the Council of Jewish Federations (CJF) said voluntary agencies are already hard pressed to meet the needs of the people they serve. But he stressed that the Jewish federations throughout the country will continue to meet the needs of individuals who came to them for help because that is a requirement of the Jewish tradition.

He noted that the CJF is made up of many businessmen who volunteer their time, not because they are trying to make a profit but because they want to help people. However, Talisman said the Reagan budget means that the Federation of Jewish Philanthropies in New York City will lose \$43 million in federal aid for its program; the Federations in Philadelphia, \$12 million; and Chicago Federations \$16 million.

In addition, Talisman argued that by cutting the \$5 billion for the CETA program the government will end up paying \$10 billion for welfare for the persons who have lost their jobs with CETA. He also stressed that the "safety net" the Administration has promised for the poor and disadvantaged will not help the working poor who are being cut off from the aid they need to survive. Many Jews, particularly the elderly, fall into this category.

Both Talisman and Hyman Bookbinder, the AJCommittee's representative in Washington, agreed that cuts have to be made. Talisman argued for an across-the-board cut rather than eliminating specific programs, but Bookbinder said the Administration was trying to undo the social revolution that has existed in the U.S. since the Administration of Franklin Delano Roosevelt.

Bookbinder stressed that the Jewish community does not reject the basic goals of the Reagan Administration to end inflation and make the economy highly productive. But he said Jewish security and tradition lies in continued support, although "never uncritical," for social programs.

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JERUSALEM (JTA) — Israel's Ambassador-designate Mashe Sasson, was scheduled to leave Sunday for Egypt to take up his new post. Sasson, an experienced Arabist and career diplomat, will replace Israel's first Ambassador to Egypt, Eliahu Ben-Elissar, who resigned his post earlier this year to run in next month's Knesset elections on the Likud list. Agriculture Minister Ariel Sharon is due to leave for Egypt Monday, in response to a long standing invitation.

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JERUSALEM (JTA) — French President-elect Francois Mitterrand has invited Labor Party chairman Shimon Peres to attend his inauguration on May 25, Maariv reported Sunday. The paper said Peres might be unable to attend because of his total preoccupation in the election campaign. Peres has been on friendly terms with Mitterrand for more than two decades. The two men spoke by telephone last Monday, the day after the French election. Peres told a Labor Party meeting that Mitterrand had responded to his (Peres) congratulations by expressing the hope that Peres would "follow suit."