

**Impetus To The Mideast Peace Process:  
PERES SUGGESTS ADVANCED, INDUSTRIAL  
NATIONS SUPPORT NEW 'MARSHALL PLAN'**  
By Maurice Samuelson

LONDON, Jan. 23 (JTA) -- Premier Shimon Peres of Israel proposed yesterday that the economically advanced and industrial nations of the world give impetus to the Middle East peace process by backing a new "Marshall Plan."

Addressing the Royal Institute of International Affairs at Chatham House, the Israeli leader urged the U.S., Europe and some nations of the Middle East to enlist in such a venture. If the cause of peace is to be furthered, then the infrastructure and industrial base of the countries involved must be broadened, he said, adding that the project should be launched even before the region's political problems are solved.

The Marshall Plan, initiated by Secretary of State George Marshall in the immediate aftermath of World War II, saw the U.S. contribute some \$13 billion toward the physical and economic reconstruction of a Europe devastated by six years of war. It is largely credited with the economic revival of the West European nations and stemming the advance of Communism. The U.S. currently provides about \$5 billion a year in economic and military assistance to Egypt and Israel.

Peres, in his address, warned the Palestinian people that they have to choose between violence and a commitment to peaceful dialogue. He vowed that Israel will never negotiate with the Palestine Liberation Organization but noted that there are many responsible Palestinian leaders in the West Bank and Gaza Strip who could join King Hussein of Jordan "on the journey to peace and the negotiating table."

**Cites 'A Little Bit' Of Progress**

Interviewed in London by the NBC-TV "Today" program this morning, Peres said he thought he and Hussein have made "a little bit" of progress toward direct negotiations through the mediation of a U.S. official. He was referring to Richard Murphy, Assistant Secretary of State for Near Eastern and South Asian Affairs, with whom Peres conferred in Holland Sunday and again in London Tuesday night. Murphy had met with Hussein in London Saturday.

The Jordanian ruler left Britain several hours before Peres arrived. Peres told NBC he believed Hussein would seek alternatives to PLO participation in the peace process if he fails in one last try to persuade PLO chief Yasir Arafat to accept the conditions necessary for a PLO role in peace talks. He said the conditions were renunciation of terrorism, recognition of Israel's right to exist and direct negotiations with Israel. "Until now Arafat is escaping a decision, he is very evasive," Peres said.

Peres met with Prime Minister Margaret Thatcher yesterday. Prior to that he held an hour-long meeting with Foreign Secretary Sir Geoffrey Howe, who told him that Britain would participate in an international forum leading to direct peace negotiations in the Middle East if the right formula can be found.

**U.S. CAUTIONS AGAINST EXPECTING  
MAJOR PROGRESS IN MIDEAST PEACE TALKS**  
By David Friedman

WASHINGTON, Jan. 23 (JTA) -- The State Department expressed caution today about any expectations of major progress toward Israeli-Jordanian negotiations as a result of the talks being held in London by its top Middle East official.

Richard Murphy, Assistant Secretary of State for Near Eastern and South Asian Affairs, has been in London all week where he has held talks with King Hussein of Jordan and Israeli Premier Shimon Peres. He is expected back in Washington in the next few days, according to State Department spokesman Bernard Kalb.

Kalb refused to comment on Peres' remark in a television interview earlier today that some progress has been made. Instead, he stressed that the State Department has been emphasizing for months that progress, if it comes, will be "incremental rather than a sudden, dramatic overnight breakthrough."

Kalb added that Murphy has been seeking to "move the peace process forward" and to do this has been discussing the "international context" which would lead to direct negotiations between Israel and Jordan and the Palestinian representation for such a meeting. State Department officials have stressed that these are the two issues that must be solved in order for the peace process to advance.

**BEHIND THE HEADLINES  
OLD AND NEW BATTLES IN CONGRESS**  
By Judith Kohn

(Part One Of A Two-Part Series)

WASHINGTON, Jan. 23 (JTA) -- Congress is back at work this week after a month-long recess, and the returning legislators will immediately set out to resume some old unresolved battles and to wage a few new ones in a session that is expected to be the stormiest since President Reagan took office.

The issues of special concern to many in the Jewish community are myriad and diverse, ranging from tax reform to arms sales for Arab countries, and from school prayer to an international agreement barring genocide.

But perhaps the greatest source of anticipation in Washington right now is to be found in legislation already adopted at the end of last session. The controversial Gramm-Rudman budget balancing law will force the Administration to reduce the federal deficit in several stages over the next five years, with automatic cuts applied to government programs if Congress fails to meet its mandated targets.

And here, too, many American Jewish organizations are sitting on needles, waiting for some definitive word on how badly domestic social welfare programs will be hurt, as well as what the new law's impact will be on U.S. aid to Israel.

The Administration announced last week that the law will require a budget-trimming for fiscal year 1986 of \$11.7 billion. The cuts, half of which must be taken from the military budget and half from non-military spending, will go into effect automatically on March 1, unless laws are enacted before then that would reduce the deficit by the same amount.

Reagan is expected to present Congress with a budget for 1987 sometime next month that will meet the legislated requirement of cutting \$50 billion more out of the nation's deficit. But if Congress and the White House fail to thrash out a final plan, automatic cuts will go into effect across the board next fall.

#### Fate Of Domestic Social Programs

Of particular concern to many Jewish organizations is the fate of domestic social programs destined to feel the sharp edge of the Gramm-Rudman budget-cutting scissors. Jewish groups active in promoting social welfare programs fear that the expected cuts this year will be devastating for many of the nation's poor, among them elderly Jews.

Jewish Federations are "in jeopardy of losing millions of dollars," when the cuts take effect, according to Ellen Witman, legislative director at the Washington office of the Council of Jewish Federations.

The Administration has already withheld grants, normally renewed on January 1, for refugee resettlement, money which is used by Federation-funded agencies primarily to resettle Jewish immigrants from the Soviet Union and Eastern Europe, according to Witman. Other Federation-funded programs that can expect to suffer are housing programs, foster care and adoption services, and assistance projects to the elderly.

"A lot of people are really not aware of how much federal, as well as state and local, sources are a part of the network of services that we provide," Witman observed.

Many Jews already living below or near the poverty line are among those who will be badly hurt by social service cuts in programs administered by Jewish and non-Jewish agencies alike, Marc Pearl, Washington representative of the American Jewish Congress, pointed out. He noted that 16 to 20 percent of American Jews are either currently below the poverty line or would fall below in the event of another recession.

Fears about Gramm-Rudman, however, may prove entirely unwarranted if a current lawsuit challenging its constitutionality is successful. But with or without the new legislation, Congress can be expected to take deficit-reducing measures seriously this session.

#### Another Source Of Anxiety

Another source of anxiety for many Jewish individuals and organizations is the tax reform issue, which will almost certainly be taken up by the Senate Finance Committee early on in the new session.

The House passed a bill to revise the tax code just before winter recess. To the relief of many Jewish organizations it did not include a provision in a similar plan proposed by the Treasury Department that would have prevented non-itemizing taxpayers from deducting any contributions to charitable institutions. The House version would permit the deductions only after the first \$100.

A coalition of some 600 Jewish and non-Jewish philanthropic bodies involved in welfare, cultural, educational and religious programs has vigorously opposed the Treasury's proposal, claiming it would substantially reduce donations to charity.

The Jewish Federations, for example, which raise more than \$600 million a year, could lose, according to a study by the coalition, over a sixth of their average annual income.

But the provision is unlikely to be included in the Senate version either, Pearl speculated. There are rumors, however, that the Senate might adopt an alternative option of extending the \$100 floor to all tax-filers — those who itemize their deductions and those who do not, according to Witman.

#### A Possible Vexing Situation

As the April tax filing deadline approaches, Israel Bond holders will almost certainly be relieved of a new tax burden of which most are undoubtedly unaware. A provision of the 1984 Deficit Reduction Act would require lenders to pay tax on the full amount of interest they would get if the loans had been made at prevailing market rates.

If Israel Bonds are not exempted from the 1984 Act, Bond holders would be required to pay tax on more interest than they actually earned, since the Bond's four percent interest falls well below the current approximate market rate. This could result in a loss of potential Bond purchases, some members of Congress have pointed out.

But the "imputed interest provision" of the 1984 law was aimed against those who make artificially low-interest loans — such as those by parents to children in a lower tax bracket — as a legal means of tax evasion, and was never intended to affect Israel Bonds, these legislators have stressed.

Accordingly, the tax reform bill passed by the House includes a provision correcting retroactively the unintended effect of the 1984 Act on Israel Bonds.

The Senate Finance Committee is expected to take up the Bonds legislation as part of a separate bill, in order to prevent it from getting bogged down in wrangling over tax reform, according to a staff member at the Israel Bond Organization office in New York.

#### Issue Of School Prayer

Among other soon-to-be raised issues in the domestic arena is school prayer. The Senate is expected to take up the question of a constitutional amendment allowing silent prayer in schools, sometime at the end of February. Silent prayer has been vigorously opposed by major Jewish groups as encroaching on the barrier between church and state.

Pearl said that although it is difficult to tell at this point where many of the votes will go, it is likely that the proposed amendment can be blocked.

"Who's for it?" Pearl asked, noting that the staunchest supporters of school prayer would not be satisfied with only silent prayer being permitted in the schools.

(Next Week: Part Two)

#### ISRAELI AND U.S. OFFICIALS DISCUSS EXTENSION OF COOPERATION IN THE FIELDS OF LABOR AND SOCIAL WELFARE

By Yitzhak Rabi

NEW YORK, Jan. 23 (JTA) — Israeli Minister for Labor and Social Affairs, Moshe Katzav, expressed satisfaction today with his just-concluded discussions with top Administration officials in Washington regarding the extension of cooperation in the fields of labor and social welfare between Israel and the United States.

Katzav, addressing a press conference at the Israeli Consulate here, said that he met yesterday in Washington with Labor Secretary William Brock and that the two of them agreed to sign shortly a Memorandum of Understanding on future cooperation between the two countries in areas of labor and social affairs.

"We decided to continue the ongoing joint programs and to identify and define mutually beneficial areas

for exchanges of information and experiences," Katzav said. He said that Brock agreed to visit Jerusalem next June and that the Memorandum of Understanding between the two Ministries will probably be signed then.

Katzav said that the major topic of discussion with his American counterpart were women's affairs, unemployment, vocational training and problems of the handicapped, and employment. He said that they also discussed a joint seminar on women's affairs which is scheduled to be held in Israel this spring, and a joint project between Temple University in Philadelphia and Haifa University on the vocational evaluation of the handicapped.

Katzav also met with Secretary of Health and Human Services Otis Bowen and discussed with him forms of mutual cooperation in the area of human development and mutual services. Noting that two years ago the two Ministries signed a Memorandum of Understanding, Katzav said that he and Bowen expressed mutual satisfaction with the progress of a Binational Children at Risk Task Force, the coordination of programs for special visitors to Israel and the U.S., involvement of non-governmental organizations such as the Council of Jewish Federations in the facilitation of activities, and the progress to date in many other cooperative areas.

In another meeting, with Assistant Secretary of Health and Human Services Dorcas Hardy, Katzav said he discussed the possible creation of a Joint Task Force on Aging and the exploration of involvement of corporations and foundations in activities conducted under the Memorandum of Understanding.

Turning to another issue, Katzav said that earlier in the week he met in New York with a group of "yordim" — Israelis who emigrated to the U.S. "I came out of the meeting convinced that many of the yordim are not happy in America and that they feel estranged and alien. Israel must increase its effort to prevent further yordim. At the same time we must stop treating the yordim with understanding and forgiveness. We must treat the issue with severity and at the same time create the right conditions to bring back the yordim."

In reply to a JTA question, he said his Ministry estimates that there are some 320,000 Israelis living in America.

#### EGYPT WILL NOT GIVE ISRAEL REPORT OF INQUIRY PANEL ON SINAI KILLINGS

By David Landau

JERUSALEM, Jan. 23 (JTA) — Egypt will not convey to Israel the report of an inquiry commission that investigated the murder of seven Israeli tourists at Ras Burka in eastern Sinai last October 1, the Egyptian Charge d' Affaires in Tel Aviv, Mohammed Bassiouni, said today. He said the full verdict of the court which convicted and sentenced Suleiman Khater, an Egyptian soldier, for the killings, would be made available to the Israeli Ambassador in Cairo, Moshe Sasson.

The Egyptian diplomat, speaking on Israel's Arabic Service television program, maintained that international law did not require that the findings of the inquiry commission be given to Israel.

His remarks stirred a furor in Likud and other rightwing parties and may further aggravate the tense relations between the Labor Party and its Likud partners in the unity coalition government.

Delivery to Israel of the commission's findings was one of the conditions demanded by the Inner Cabinet (Five Labor and five Likud Ministers) when it agreed on January 13 to submit the Taba border dispute with Egypt to international arbitration — demanded by Cairo — as part of a package deal for the normalization of relations between Israel and Egypt.

Aides to Premier Shimon Peres, who is presently in London, told reporters earlier this week that they expected the Egyptians to turn over the inquiry commission's report very soon. Differences may now arise between Labor and Likud over whether the court verdict can be considered a full report within the meaning of the Inner Cabinet's decision.

Israel has insisted on the report of the inquiry commission because, among other reasons, Israeli pathologists maintain that the lives of five of the tourists could have been saved had they received prompt medical attention. There was a delay of many hours before the wounded were attended to and, according to relatives of the victims, the delay was willful. Four of the seven dead were children.

Bassiouni's statement today confirmed earlier reports circulating here that the Egyptians had no intention of giving Israel the report of the investigation. The Tehiya Party has introduced a motion of non-confidence in the Knesset.

Khater, a 25-year-old law student doing his required military service, was sentenced to life imprisonment for machinegunning the Israeli tourists. A week after his sentencing, he was found hanged in his room at a military hospital near Cairo, an apparent suicide.

#### SOVIET ALIYA ACTIVIST ARRIVES IN ISRAEL WITH HIS FAMILY

By Hugh Orgel

TEL AVIV, Jan. 23 (JTA) — A Soviet aliya activist who became a self-taught Orthodox Jew while still in the Soviet Union arrived here last night with his wife, three children and his wife's parents. Ilya Essas, described as a "bal teshuva," was granted an exit visa after World Jewish Congress president Edgar Bronfman intervened with the Soviet authorities on his behalf. His parents immigrated to Israel several years ago.

Essas is the recognized leader of a Jewish religious revivalist movement which apparently is functioning in the USSR despite Soviet official opposition to all religions. His halachic knowledge, gained without benefit of formal instruction, is such that he is consulted by observant Jews all over the Soviet Union on religious matters. His following inside Russia is said to closely resemble the Hasidic sects.

Essas, who speaks Hebrew fluently, plunged into a long-standing controversy within minutes of his arrival. Speaking to reporters, he denounced fellow Soviet-Jewish emigres who choose to live in countries other than Israel.

Essas also triggered a tug-of-war between the Agudat Israel and other Orthodox parties over which would claim him as its own. The establishment Orthodox groups appealed to him not to join the non-Zionist Orthodox fringe groups.

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TEL AVIV (JTA) — About 650 employees of the financially ailing Haifa Shipyards continued their sit-in behind barricades Thursday while the courts considered an appeal against the payless furlough of indefinite duration that took effect Tuesday morning.

## ORT SCHOOLS STRESSING ADAPTABILITY TO COMPUTER AND ROBOTICS ADVANCES

NEW YORK, Jan. 23 (JTA) — ORT (Organization for Rehabilitation through Training) has expanded computer literacy training programs for teachers throughout the ORT global network in response to the increasing emphasis on hi-technology training at ORT schools, according to a report by American ORT Federation president Alvin Gray, which will be presented at the organization's national conference on Saturday.

Gray, who will complete the third year of his four-year term of office at the AOF national conference, notes that, "The advances in computer and robotics training throughout the ORT educational network present a new challenge to ORT educators. Because the body of knowledge acquired by teachers is no longer valid after a few years, they face the risk of rapidly becoming obsolete. Thus the task facing ORT is how to help teachers to develop their potential and adapt themselves to the constantly changing educational and workplace environment."

Among the programs cited by Gray is a training course for teachers in the ORT Israel network, the largest ORT operation, developed by the Moshinsky Pedagogical Center in Tel Aviv in cooperation with the World ORT Union. The new ORT Braude Institute of Technology in Karmiel, the 100th ORT school in Israel, will serve as a regional educational center and provide training programs in science and technology for ORT teachers in Israel and around the world. "Teacher training will continue to be an area of focus in the ORT network," Gray said.

### Future Directions

During the three-day conference, which begins tomorrow, some 500 delegates from AOF chapters and divisions throughout the U.S. will participate in discussions geared to determining the future direction of support for the ORT global network of 800 schools and training centers, which provide vocational, technical and Jewish education to over 133,000 students.

Some 84,000 students study at ORT schools in Israel, including several hundred recently arrived Jews from Ethiopia who attend special ORT training programs in Kiryat Gat, Karmiel, and Netanya. ORT Israel has agreed to provide vocational training to 400 additional Ethiopian immigrants at ORT schools.

"We are all aware of the changes that are occurring in the workplace and the speed with which they are altering every facet of our lives," Gray says. "The goal of ORT, for the immediate and long-term future, is to train Jewish students to develop and harness these technological wonders and use them as tools for meeting the challenges that lie ahead."

### Computer And Robotics Training

According to Gray, meeting the demands of a technological age goes beyond the acquisition of new equipment and updating curricula. In addition to the need for teacher training, the most important challenge facing ORT today is the teaching of new skills required for already existing professions.

The key to ORT's approach, Gray notes, has been in providing students with the basic tools for thinking and understanding language and concepts, which "enables them to further develop their knowledge in any of the constituent areas of a hi-tech subject.

Highlights of developments in the past year include an increase in the teaching of robotics and computers throughout the network. In Israel, computers have been introduced into almost all ORT schools. Computer-Aided Design is being taught in ORT schools in Netanya and at the Syngalowski Center in Tel Aviv.

An electro-optics laboratory has been installed at the ORT School of Engineering in Jerusalem, and Computerized Numerical Control machines have been supplied to ORT schools in Ein-Harod, Tel Aviv, Netanya, Karmiel, Holon and Bat Yam.

In the ORT France network, ORT's second largest program which trains 8,500 students, 20 departments were closed in metal working trades that have become obsolete, and 26 new departments were opened in microprocessing, electronics and data processing.

Technological innovations have been increasingly incorporated into the curricula in Latin America, where ORT students number 9,800 in Argentina, 6,700 in Brazil, 1,400 in Chile, 3,300 in Mexico and 5,700 in Uruguay. A microcomputer laboratory was installed in Santiago, computer-oriented business courses were introduced in Buenos Aires, and a course for systems analysts was begun in Rio de Janeiro.

Computer and science training at ORT Morocco, which educates 850 students, is already offered at the boys' school and will soon be extended to the girls' school. In Italy, where 3,100 students attend ORT schools, the computer department has developed to the point where other schools and organizations consult ORT on the establishment of computer departments.

In all of the countries where ORT operates, notes Gray, technological training is accompanied by programs of Jewish education as part of comprehensive curricula geared to the development of thinking, technologically-skilled individuals who appreciate and value their Jewish heritage.

**UJA CASH COLLECTIONS SET NEW PEACETIME RECORD; TOTALS REACH \$400.8 MILLION FOR 1985 DRIVE**

NEW YORK, Jan. 23 (JTA) — The United Jewish Appeal has collected \$400.8 million for 1985, the largest cash collection of any peacetime year in UJA history, according to a special announcement by UJA national chairman Alex Grass.

Calling the record cash collection "a magnificent achievement," Grass added that "it was a landmark year made even more extraordinary by the fact that the vast majority of communities throughout the country exceeded their 1984 cash remittances. Furthermore," said Grass, "this is only a part of what was collected, since millions of dollars were utilized for urgent local community needs."

In citing cash highlights, Grass mentioned that on December 31, 1985, the UJA received \$36.4 million in cash, the largest amount ever received on any December 31 since the establishment of the UJA in 1939. In December, 1985, \$90.2 million was collected, the second highest amount ever received in any December. (Operation Moses was responsible for the higher total amount of \$101.2 million received in December, 1984.)

Grass paid special tribute to Bernie Borine, the UJA's national cash chairman, for his "innovative leadership and dedication in seeing a complex task through to a successful conclusion."

While noting that the final surge of money coming in has prevented seriously threatened cutbacks in UJA lifesaving programs, Grass emphasized that the same level of collection intensity is required at the same time the '86 Campaign increases its momentum.