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WORKERS FACING LAYOFFS

TEL AVIV, March 4 (JTA)--Israeli workers are facing layoffs in two widely separated regions--Haifa and the Negev. The Timna Copper Mines, near Eilat, announced today that it planned to furlough about 200 workers because of the precipitous drop in world copper prices last year--from IL 1270 to IL 61 per ton. The Haifa Port Authority said it would dismiss about 50 seasonal workers and possibly an unspecified number of permanent workers as well.

In both instances, the impending layoffs are not linked to the controversial sales and payroll taxes imposed by the government last week which many businessmen fear may lead to widespread unemployment. The Timna mines cited high production costs which, combined with the drop in the copper market have saddled the company with heavy losses. It plans to decrease production by 20 percent, cut back on geological surveys and lease some of its heavy equipment for outside work. The layoffs at the Timna mines will have an impact on the Eilat area. The Eilat Labor Council has asked the government to investigate new job opportunities for Eilat workers.

The Haifa Labor Council's secretary, Eltezer Molk, warned the Port Authority last night to delay its layoffs until after the Passover holiday to give the workers time to find other jobs. Dismissals are also expected in several textile plants due to the financial crisis affecting Israel's textile industry. Histadrut is expected to try to forestall any dismissals prior to Passover.

Government spokesmen insist, meanwhile, that the government will be able to cope with what it calls "pockets" of unemployment should they develop as a result of the 4 percent payroll tax and the 7.5 percent sales tax which is expected to reduce overall consumption. Both the Finance and Labor ministries claim there is no unemployment in Israel, yet.

60% HIKE IN MATZO, MATZO FLOUR PRICES FORESHADOWS EXPENSIVE PESACH

TEL AVIV, March 4 (JTA)--The Ministry of Commerce and Industry has just approved a 60 percent increase in the price of matzos and matzo flour foreshadowing a very expensive Passover for most Israelis. A 2.5 kg. package of matzos--one week's supply for one person--will cost IL 6.50 compared to IL 4 last year. A Ministry spokesman said, however, that there would be no shortage of matzos or of any of the other traditional Passover foods. The Ministry also announced that it would lower the prices of imported fish fillets and frozen liver.

Meanwhile, retailers have begun to reduce prices on a variety of products in face of a sharp slackening of consumer demand. Since the government's new 7.5 percent sales tax went into effect last week there has been a significant drop in sales of furniture, clothing and shoes. Retailers of those items have decided to absorb the sales tax instead of passing it on to their customers.

But cost-consciousness among consumers has already had a dampening effect on pre-Passover sales. Housewives are seeking out the

cheapest foods, leaving the more expensive items on the market shelves.

KATZIR URGES U.S. JEWS TO INTERPRET ISRAEL'S IDEALS TO U.S. COMMUNITY

WASHINGTON, March 4 (JTA)--Israeli President Ephraim Katzir, making his first visit to Washington as head of the Jewish State, urged leaders of the Washington Jewish community yesterday to continue efforts to interpret Israel's ideals of democracy, morality, justice and peace to the general American community. Katzir also stressed the importance of Jewish education in improving the quality of Jewish life. Referring to Israel's socio-economic problems, Katzir said that American Jews have an opportunity for direct assistance to Israel by contributing trained manpower as well as finances.

Judge William C. Levy, president of the Jewish Community Council of Greater Washington, headed the score of local leaders who met with Katzir at Blair House where he is the guest of President Ford. Last night Israeli Ambassador Simcha Dinitz hosted a reception for Katzir at the Israeli Embassy at which 40 Administration and Congressional leaders attended.

CULTURE ACCORD SIGNED WITH ITALY

JERUSALEM, March 4 (JTA)--A Hebrew language lectureship is to be instituted at the University of Venice under the terms of a culture accord recently signed in Jerusalem between Israel and Italy. Other lectureships are planned for Naples and Rome universities--and chairs in Italian at Tel Aviv, Bar-Ilan and Beersheba Universities in Israel. Also agreed to was Israel's aid in restoration work at the Venice ghetto. Israel will send an expert to assist local officials in the restoration. There are also provisions for exchanges of orchestras, theater companies and art exhibitions.

CONTROLS SOUGHT TO PREVENT ANYONE PARTICIPATING IN ARAB BOYCOTT FROM INVESTING IN THE UNITED STATES

By Joseph Polakoff

WASHINGTON, March 4 (JTA)--Sen. Harrison A. Williams, Jr. (D.NJ) today introduced an amendment to his proposed law controlling foreign investment in American companies which would prevent anyone participating in the Arab boycott from investing in the United States. At the same time, Jack F. Bennett, Undersecretary of Treasury for Monetary Affairs, opposed any new regulations and said existing laws were adequate.

Williams, chairman of the Senate Banking, Housing and Urban Affairs Subcommittee on Securities, had earlier introduced a bill to monitor any investment of five percent or more by a foreign government, company or individual in a U.S. company. The proposed law would also give the President the authority to prohibit the investment if it was not in the national interest.

The New Jersey Democrat's new amendment would prohibit investment by anyone "who has forced or attempted to force other firms to boycott an American business because of its dealings with or in a foreign country with which the U.S. has diplomatic relations." Williams said

the Arab boycott "is quite clearly and very distressingly, being pursued against U.S. businesses merely because they have ties to Jews or others considered friendly to Israel or 'Zionism.'"

Bennett, testifying before Williams' subcommittee which began today three days of hearings on the boycott, said no new legislation is required because existing laws and practices "provide extensive information with respect to foreign investment as well as safeguards to deal with particular investments."

Cautions Against Oppressive Surveillance

However, Bennett said that administrative action is being taken to establish an inter-agency committee reporting to the President's Economic Policy Board which would serve as the focal point for ensuring that foreign investment in the U.S. is consistent with the national interest.

He also suggested a new office to serve the government by monitoring foreign investment, analyzing trends of investment and their impact, and negotiating procedures with "the principal foreign governmental investors for advance consultations with the U.S. government on prospective major direct investments in the United States.

The Treasury official contended that foreign investment is contributing to the dynamism of the American economy by stimulating competition in seeking new investment opportunities. "Let us not make the surveillance so oppressive as to drive it away," he said. "We need it." Williams noted that Bennett is a former executive of Exxon.

Wants It Out In The Open

Former Ohio Sen. Howard M. Metzenbaum urged tightening of the Williams amendment saying that "notice of intention by foreign interests to acquire control of a firm should not be confidential and submitted only to the Security and Exchange Commission and the President. "I would prefer to trust the pressure of public opinion if the entire nation knew that such action was contemplated," the Ohio Democrat said.

"To those who might suggest that this might have an impact on the stock market price of the company's securities," Metzenbaum said, "when the SEC, its staff, the President and his staff, know that such action is pending, it will no longer be a secret. Other countries such as Australia, Canada, France, Germany and Italy require disclosure. Why not the U.S.?"

Metzenbaum also pointed out that if the entire matter of foreign investment is kept confidential, a stockholder would not be able to act against a foreign investor that has failed to comply with U.S. laws. He also recommended that the Williams amendment include a proviso that would enable the President to inquire into the purchaser's intent. "If the foreign investor seeks to compromise our independence and integrity, let that foreign investor look elsewhere," he said.

Meanwhile, James E. Smith, the U.S. Comptroller of the Currency, has warned banks against accepting the Arabs' anti-Jewish rules in dealings, and against accepting large deposits or loans by Arab investors that require discrimination against Jews. In a letter dated Feb. 24, Smith said his office "will assure adherence of national banks to a non-discriminatory policy." Smith could issue cease-and-desist orders against bias where it is uncovered.

ADL ASKS FORD TO ORDER CORRECTIVE ACTION BY U.S. BANKS, STEAMSHIP LINES INVOLVED IN ARAB BOYCOTT

NEW YORK, March 4 (JTA)--The Anti-Defamation League of B'nai B'rith has asked President Ford to "order immediate corrective action" by American banks and steamship lines of alleged collusion with the Arab boycott of Israel in "daily violation" of U.S. maritime laws and other federal statutes. A letter to Ford from ADL national chairman Seymour Graubard was accompanied by sample forms on steamship company letterheads attesting that a vessel in which goods were shipped to customers in Arab countries is not on the Arab blacklist, not of Israeli origin and will not call at Israeli ports.

The boycott compliance forms must be furnished by the shipper along with the regular routine documents before the banks will honor the purchaser's letter of credit, the ADL charged. The ADL named the Chemical Bank, First National Bank of Chicago, First National City Bank and the Irving Trust Co. as cooperating in this process and declared that every bank negotiating Midwest credits is reportedly involved.

The letter also named 14 steamship lines or steamship agents in the U.S. engaged in trade with the Middle East. Three of them, the Waterman Steamship Corp. Lykes Bros. Steamship Co. and American Export Lines Inc., are federally subsidized American-flag carriers. The American Export Lines is the largest American-flag carrier of freight to and from Israel and has maintained regular service to that country since 1948. But its ships calling at Israeli ports do not call at Arab ports and vice versa.

Violation Of Law Cited

Arnold Forster, associate director and general counsel of the ADL, told the Jewish Telegraphic Agency today that the fact that a company offered service to Israel was not relevant to the fact that it violated U.S. law which prohibits any common carrier from filing a certificate of boycott. He said that ban is contained in a 1960 revision of the U.S. Shipping Act of 1916. Forster said that if the banks and shipping companies refused to accept the Arabs' demands for a boycott compliance document, the Arabs "couldn't do a dime's worth of business" with the U.S.

Graubard's letter to President Ford noted that the 1916 Shipping Act attaches a penalty of up to \$25,000 for "refusing or threatening to refuse, space, accommodations when such are available or resort to other discriminating or unfair methods" and a fine of up to \$5000 for each instance of "undue or unreasonable preference or advantage...." Sect. 19 of the 1916 Shipping Act was aimed primarily against rate discrimination by foreign steamship lines or their agents against American lines.

CHURCH SAYS ARAB BLACKLIST THREATENS DIVISIVENESS AMONG AMERICANS

PHILADELPHIA, March 4 (JTA)--Sen. Frank Church (D, Idaho) said last night that the Arab blacklist threatens "deep and lasting divisiveness" among Americans and declared that "Arab dictation as to who may or may not participate in our business transactions is too high a price to pay."

Church, chairman of the Senate Foreign Relations Subcommittee on Multinational Corporations, spoke at a dinner at the Bellevue-Stratford Hotel at which Mrs. Leona Chanin of New York was installed as president of the National Women's Div-

ision of the American Jewish Congress. Some 500 delegates from throughout the country are attending the women's division's biennial convention.

The Idaho Democrat, who last week released the names of some 1500 American companies on the Arab blacklist, assailed what he called the "raw power of Arab money." He declared that "A political settlement in the Middle East must be judged on its own terms, and not imposed as a consequence of economic pressure."

Church said the international oil companies have received "preferential tax and anti-trust treatment in the name of national security" but "these arrangements haven't enhanced our security at all. On the contrary, by making us more dependent on Middle East sources of oil they have weakened our security."

Oil Prices, Mideast Settlement, Not Connected

Denying that if only there were a Middle East settlement satisfactory to the Arabs, "oil prices would come down," Church noted that "the 500 percent oil price increase imposed by the OPEC cartel was ram-rodged by Iran and Venezuela, neither of whom have a special interest in the Arab-Israeli conflict. These countries will seek to maintain the cartel price regardless of what happens to the Arabs and Israelis."

Church said that proposals to achieve peace in the Mideast should be evaluated "on their own merits and not under the false illusion that if only we accommodate the Arab pride, the Western world will be rewarded with lower international oil prices."

The Idaho Senator also said that he had seen oil company internal memoranda and correspondence which showed that Texaco, Exxon, Mobil and Standard Oil of California had tried to convince the White House not to supply Israel with arms and ammunition during the Yom Kippur War because they feared their concessions in Saudi Arabia would be nationalized. He said fortunately the Administration did not give in to this pressure.

Effort To Aid Syrian Jews

During the three-day convention which ended today, Esther H. Kolatch, executive director of the Women's Division, reported that the group has launched a special effort in behalf of the 4500 Jews in Syria and said that the AJCongress women were calling on the State Department, now that diplomatic relations between Washington and Damascus had been resumed, to urge the Syrian regime to abide by the UN Declaration on Human Rights by ending the intimidation and persecution of Syrian Jews and letting those who wish to leave emigrate to a land of their own choosing.

Jacqueline Levine of West Orange, N.J., the outgoing president, called on the nation's volunteers to fill the gap in social services created by the budget cutbacks resulting from the recession. President Ford, in a message to the convention, said the group has "benefitted our society by urging women to participate more fully in our national life." He noted that "the philosophy of your organization advocates our national commitment to equal opportunity for all."

UOJCA RETURNS TO SCA, BUT DENIES REFORM, CONSERVATIVE LEGITIMACY

NEW YORK, March 4 (JTA)--The board of directors of the Union of Orthodox Jewish Congregations of America voted yesterday 68-56 to end its one-year suspension from the Synagogue Council of America. Harold M. Jacobs, UOJCA

president, said the move was taken at this time "to help unify the Jewish people in this hour of grave crisis for Israel, Soviet Jewry and the world Jewish community."

At the same time, the board was unanimous in asserting that "continued participation (in the SCA) was not to be interpreted as religious recognition of other 'branches' within Judaism or their spokesmen," and that the board's decision "was not to be viewed as a rejection of the spiritual authority or religious leadership of those who had urged withdrawal from the Synagogue Council of America."

The issue centered on the question of whether UOJCA membership in the SCA implies recognition of the Reform and Conservative movements which also belong to the SCA. Jacobs affirmed, after the vote yesterday, that there was no question so far as the UOJCA was concerned that it never has and never will recognize the religious legitimacy or authority of the Reform and Conservative movements.

"The UOJCA's participation with such groups in the SCA has, therefore, no ideological or religious significance above and beyond the Orthodox Union's desire to cooperate with all segments of the Jewish community on issues of common concern," Jacobs said. "We hope that the Orthodox Union and its members can now proceed in unity to the strengthening of the Torah values which concern us all."

RAA Denounces Move

The UOJCA action, however, was challenged by the Rabbinical Alliance of America which expressed its shock and dismay. Rabbi David Hollander, RAA president, denounced what he termed "the wanton violation of the halachic ban on membership in the Synagogue Council of America. This is the first time in history that rabbis who are regarded as Orthodox have urged and pleaded with the laity within the Orthodox Union to act contrary to a halachic ruling issued by outstanding halachic authorities of our time."

Rabbi Hollander called upon the organized Orthodox rabbinate and other Orthodox groups to "stand solidly behind the sanctity of the halacha and to use every just and legitimate means to deal with those who are responsible for the defiance of the authority of the halacha."

BRAZIL BACKS PALESTINIANS

RIO DE JANEIRO, March 4 (JTA)--Brazilian President Ernesto Geisel said yesterday that Israel withdrawal from occupied territories was a necessity for peace in the Middle East. In an address opening the National Congress in which he discussed domestic and foreign affairs, Geisel said Brazil opposes the use of violence in international relations, including the occupation of territory by force. He also declared Brazil's support for the Palestinian people's claim for self-determination and sovereignty.

JERUSALEM (JTA)--Students and professors demonstrated in front of the Knesset Monday to protest the failure to include allocations for underprivileged youths in the record IL 56 billion budget for fiscal 1975-76 that was presented to the Knesset last week. They said they would continue their protest in shifts until their demands were fulfilled.

BUENOS AIRES (JTA)--A bomb heavily damaged the Paso Street Temple early Monday, destroying 60 window panes and three stained glass windows. There were no casualties. Police are investigating the attack on the synagogue.

