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PINHAS SAPIR, ARCHITECT OF ISRAEL'S ECONOMY, DEAD AT 67

HEART ATTACK FELS ISRAELI LEADER

By Yitzhak Shargil

BEERSHEBA, Aug. 12 (JTA)--Pinhas Sapir, chairman of the Jewish Agency and World Zionist Organization Executives, and former Finance Minister of Israel, died today after suffering a heart attack near Beersheba. He was 67 years old.

Mr. Sapir was guest of honor at Moshav Nevatim in the Negev, some 10 miles south of Beersheba, which was inaugurating a new synagogue when he collapsed during the ceremony. Mr. Sapir was immediately put into an ambulance which was on standby because of the large crowd, and a nurse and Mr. Sapir's spokesman, Yossef Harel, took turns applying artificial respiration during the ride to Beersheba. At Beersheba Hospital, an open heart massage was attempted but all efforts failed and he was pronounced dead.

Mr. Sapir had a long tiring day today, dedicated to the two areas to which he had devoted his energies since becoming Jewish Agency chairman last year--aliya and absorption. He started the day with discussion with the Beersheba Municipal Council on the question of absorbing more immigrants into that city. He then visited the Ben Gurion University of the Negev, of which he is one of the founders, and then travelled to several settlements in the Beersheba area.

In the afternoon, along with Premier Yitzhak Rabin, Religious Affairs Minister Yitzhak Rafael and Agriculture Minister Aharon Uzan, he attended the synagogue inauguration at Nevatim, a moshav settled by immigrants from India. Sapir spoke of the success of the immigrants in making Nevatim a flourishing settlement. He announced that the Jewish Agency, which had provided one of the Torah scrolls for the new synagogue, had donated 10 fellowships for higher education to the village.

Mr. Sapir's death, which occurred at 6:50 p.m., was not made public until 9 p.m. so that his wife and children could be notified. Funeral services will be held Thursday morning in Jerusalem.

SAPIR DOMINATED ISRAELI POLITICS AND ECONOMICS LIKE A COLOSSUS

By David Landau

JERUSALEM, Aug. 12 (JTA)--Pinhas Sapir, strongman of Israeli politics this past decade and architect of Israel's economy, was born 67 years ago to Mordechai and Malka Kozlowski in the Polish village of Suwalki. He received a mixed Jewish and general basic education, and those who knew him then say he shone even as a youth in his mathematical and organizational abilities. He made aliya to Palestine in 1929 and settled in Kfar Saba, north of Tel Aviv, where he lived until his death in a modest cottage.

At first, Mr. Sapir worked in the local orange groves, "moonlighting" by helping the growers with their bookkeeping. He soon became active in local labor affairs and was arrested and jailed for joining in riots against the employment of cheap Arab labor by the Jewish orange-growers. Those were the days of the historic struggle by the

fledgling labor movements for Jewish labor in the burgeoning economy of the Jewish national homeland. Mr. Sapir was in the forefront of that struggle, alongside such men as David Ben Gurion and Yitzhak Ben Zvi.

Mr. Sapir married Shoshana Kirinsky and moved into the orbit of union work in the rapidly expanding framework of the Histadrut. In 1937, at the behest of Levi Eshkol, he joined a Histadrut team working on a huge water project which was later to become "Mekorot," the government-Histadrut water company.

Mr. Sapir's organizational prowess came to the notice of Ben Gurion who soon entrusted him with various defense tasks on behalf of the state-in-the-making. After independence was declared in 1948, Mr. Sapir was sent abroad on arms-buying missions. A year later he returned to become the director general of the Defense Ministry. Later he moved to the same post in the Finance Ministry, then headed by Eliezer Kaplan.

Natural Choice As Finance Minister

In 1953, Mr. Sapir entered the Cabinet--as Minister for Trade and Commerce, with Eshkol his superior as Minister of Finance. The two men worked in tandem for a decade, steering the economy through a period of growth which experts have classified as fantastic. When Eshkol took over the Premiership in 1963, Mr. Sapir was the natural choice to succeed him at the Finance Ministry. He held the post, with one brief intermission, until resigning from office last year when Golda Meir stepped down from the Premiership.

Political pundits were united at that time in their opinion that Mr. Sapir could have had the Premiership for the taking--but he, of his own volition, refused to take it and the full weight of his influence in the Labor Party fell behind Yitzhak Rabin's candidacy.

With the Jewish Agency chairmanship vacant since Louis Pincus' death shortly before, Mr. Sapir looked to this task as a new challenge. He circled the world in prodigious fund-raising and aliya-encouragement efforts, finding himself more successful in the former than in the latter.

His wife Shoshana died in 1971--a blow from which Mr. Sapir never fully recovered. Late last year he married Rifka El Natan, a jolly Jerusalem widow in her fifties who had been active in Labor Party politics in the capital. He leaves her widowed again and reportedly unwell, and also a son, Amos, two daughters, and grandchildren whom he dearly loved and spent as much time with as he could.

Achievements Were Breathtaking

Mr. Sapir bestrode Israeli politics and economics for two decades, like the Shakespearean colossus. His achievements were legion, some of them breathtaking in their scope and page, confounding the experts.

But this powerhouse of activity, never idle, working 15 hours a day without rest, running the country--so it was widely said--out of his "little

black notebook"--generated severe criticism, especially in his later years. The still ongoing campaign in the press and among wide sections of public opinion against corruption in economic affairs and against Tammany Hall-style politics often focused on "Sapirism" as its chief target.

The man himself was spotless in his activities. His enemies--and he had many--could never pin a sordid or besmirching accusation upon him. He lived modestly and quietly. But, it was said, the intense concentration of political and economic power in his hands led to a pattern of paternalism in the economy and bossism in the labor movement which grew to unhealthy proportions.

In his heyday Mr. Sapir could seal the fate of multi-million dollar ventures with a word, a command, a recommendation. He attracted many big investors--through the "economic conference" which he established in 1973 and through his diversified contacts throughout the world, but by the same token he came to exercise a powerful measure of control over the direction and placement of investments which, his adversaries said, he used for political ends.

Balance Sheet Of Contributions

Thus the balance sheet of Mr. Sapir's contribution to this country has its credit and debit side and only with the passing of time will the dispassionate historian be able to pass judgement. By no means were all the charges levelled against him ever substantiated. It was alleged that he was intimately linked with imprisoned financier Michael Tzur--but he denied all knowledge of Tzur's crimes--and no links were ever proven.

His "Sapir Fund," which has already raised \$600 million abroad for welfare projects here, was assailed by the press--but no blemish was found on it. Mr. Sapir insisted that it be examined by the most scrupulous means at the disposal of the State Comptroller. Only last week he proudly presented plans for the Fund's next five years--in which he envisaged another \$500 million being allocated for welfare and education of disadvantaged youth--all under the watchful eyes of the State Comptroller and of a special Agency-government committee.

Great Riddle Of His Career

The great riddle of his career was his reluctance to assume the Premiership in 1974. Some said he simply feared the awesome responsibility of war and peace. He felt he was not sufficiently qualified in political and military affairs. Some said he preferred to influence policy from behind the scenes.

But during Mrs. Meir's Premiership, although his loyalty to her was unswerving, his influence beyond the economic sphere was limited. He headed the doves inside Labor--but the Golda Meir-Moshe Dayan-Israel Galili hawkish line held sway despite Mr. Sapir's repeated warnings that to retain the occupied West Bank would mean moral disaster for the Jewish State.

To his dying day he never tired of echoing Ben Gurion's warnings--that the future of Israel would be best protected, best ensured, by a substantial growth, through aliya, of its Jewish population.

JEWISH LEADERS SHOCKED, SADDENED AT SAPIR'S DEATH

NEW YORK, Aug. 12 (JTA)--American Jewish leaders expressed shock and sorrow today at the sudden death of Pinhas Sapir and praised him for his contributions to Israel, Zionism and the Jew-

ish people. Many were expected to fly to Israel tonight for the funeral Thursday.

Max Fisher, chairman of the Board of Governors of the Jewish Agency, said: "The Jewish Agency and the Jewish people have lost a great champion and leader; a warm friend as he was, a strong personality, Sapir combined devotion and skill, dedication and understanding, to the cause of Israel and the Jewish people everywhere. No community was too small for him to visit, no problem too trivial for his attention and concern."

"For colleagues and co-workers, the loss of an inspiring leader and warm friend is a great blow indeed. Sapir was one of the generation of giants, builders of Israel and shapers of its institutions and society. He never lost the common touch and drove himself unsparingly on behalf of his people. His memory and example will serve as inspiration and blessing to us all in the years ahead."

Mrs. Faye Schenk, president of the American Zionist Federation, said that Mr. Sapir's death "has impoverished the entire Jewish community. He earned for himself a special role in the history of Zionism and Israel, particularly because of his creative and dynamic advocacy of aliya. Pinhas Sapir was an old-fashioned Zionist who devoted his entire life to Israel and the Zionist cause with unusual zeal, imagination and devotion."

Commitment To Zionist Vision

Mrs. Charlotte Jacobson, chairman of the World Zionist Organization-American section, said Mr. Sapir "combined strength of character and personality with a gentleness toward people. He had the gift of rapport with people on every level and there was no community too small for him to visit on behalf of the Jewish people. Sapir's was a life of service and devotion from his boyhood in Poland throughout his life in Israel." She said Mr. Sapir had a love for his people and a burning commitment to the Zionist vision. "The Jewish people have lost one of their great leaders, one who has made an incalculable contribution to the development and growth of the State of Israel and to the well being of its people. May his memory be a blessing."

Frank R. Lautenberg, general chairman of the United Jewish Appeal, called Mr. Sapir a great statesman and good friend and said: "His was a compassionate life, carrying forward the deep concern for relieving human suffering, meeting human needs and building human dignity. A warm dedicated human being, he was truly a man of greatness. One of the original architects in the building of the Jewish homeland, Mr. Sapir's contributions in diverse areas were instrumental in the establishing of the Independent State of Israel. His vision and direction for the development and growth of Israel and her people evidenced an unparalleled ability to create reality out of dreams; destiny out of hope."

Abilities Left Impact

Raymond Epstein, president of the Council of Jewish Federations and Welfare Funds, said: "Israel and the entire Jewish people have lost a leader of extraordinary stature and achievement. In his many meetings with our Jewish Federation leaders, in Israel and in his visits to their own communities, he left the impact of his tremendous abilities. The last official I personally met with in Israel just a few weeks ago was Pinhas Sapir. He was truly unique. Our communities will deeply mourn his death."

Rabbi Israel Miller, chairman of the Conference of Presidents of Major American Jewish Organizations, who was told the news while addressing a press conference, said Mr. Sapir was "a source of great strength to all of us. A Jew to the core who never forgot his roots, a man of the people, who understood the people and the people understood him. His memory will be an inspiration to us all."

Jacob Katzman, executive vice-president of the Labor Zionist Alliance (the American sister organization of the Labor movement in Israel), said that Mr. Sapir was "a power who could mobilize tremendous support to meet the financial needs of the Jewish State, absorb immigration and further its social development. He was always ready in the true spirit of the halutz to answer the call of national service and did so by his assumption of the chairmanship of the WZO and co-chairmanship of the Jewish Agency to rally the Jewish people behind Israel and increase aliyah."

Melvin Dubinsky, chairman of the United Israel Appeal, and Irving Kessler, executive vice-chairman, said the death of Mr. Sapir "is a sadly tragic blow not only to the people of Israel but to Jews throughout the world. In the brief year since he left the government to assume the chairmanship of the Jewish Agency he displayed sincere and mature understanding of the diaspora. In this day of economic travail, his genius in financial affairs makes his loss particularly irreparable. Since he left Poland as a young boy he was one of the true pioneers, founders, and builders of the Jewish State."

Rabbi Mordecai Waxman, chairman, and Rabbi Wolfe Kelman, executive vice-chairman of the Rabbinical Assembly, said in the death of Mr. Sapir "world Jewry has suffered an irreparable loss. Statesman and economist, he was one of the true pioneers of the Jewish State. A Jew with deep roots in the Jewish tradition, he understood and was sympathetic to the religious as well as national aspects of Israel while at the same time recognizing the interdependence of all Jews throughout the diaspora."

Mrs. Linore Ward, chairman of the national board of American Mizrahi Women, cited Mr. Sapir's great dedication to serving the State of Israel from before its inception to the present day, and observed that as head of the Jewish Agency he "also brought great dynamism to the drive for more aliyah."

U.S. COMMITMENT TO ISRAEL BELIEVED TO BE TOPIC OF TALKS BETWEEN ISRAELI, AMERICAN TEAMS By Joseph Polakoff

WASHINGTON, Aug. 12 (JTA)--The extent of a U.S. political commitment to Israel covering Israel's second withdrawal in Sinai was believed to be the main element of discussion between State Department and two Israeli officials here today in the first of a series of high level bilateral meetings this week.

Department spokesman, Robert Funseth, acknowledged that he was unaware of parallel discussions between the U.S. and Egypt although he noted Washington is in "communication" with the Cairo government. This lent substance to the speculation that what the Israelis and Americans are talking about is the nature of an American assurance against further Egyptian inroads in Sinai for a stipulated period.

Some said that Israeli Premier Yitzhak Rabin wants a letter from President Ford that would as-

sert a pledge from Egyptian President Anwar Sadat that he will not oppose the continuation of United Nations buffer forces in Sinai for the next three years. The language of the Ford letter that would commit Egypt is a main element of the talks between Undersecretary of State Joseph J. Sisco and Assistant Secretary Alfred Atherton with Mordechai Gazit, director general of the Premier's Office, Meir Rosenko, the Foreign Ministry's legal advisor, and Ambassador Simcha Dinitz.

Talks Termed Preliminary

Informed sources here indicated the military aspects of the second Sinai withdrawal have been completed although the formalities of some language remains. Israel will retreat to the east of the Mitla and Gidi Passes and give up the Abu Rodels oilfields, while a few Americans will monitor some electronic equipment between the new lines, according to these sources.

Under questioning, Funseth continued to say that the political talks are "still preliminary" and a "part of the whole process" of negotiation. He would not confirm persistent reports that rooms have been reserved at the King David Hotel in Jerusalem for Secretary of State Henry A. Kissinger who is understood to be ready to renew his shuttle diplomacy about Aug. 20 if the two sides are close together. Kissinger said yesterday that he would decide on another shuttle within 10 days.

The Israeli and U.S. political specialists will meet again tomorrow morning after Sisco opens the economic side of the talks. In this session, a four-member Israeli team and Dinitz will set forth Israel's needs to U.S. specialists from the State and Treasury Departments, the National Security Council and the Agency for International Development (AID).

RACHEL SHAZAR DEAD AT 66

JERUSALEM, Aug. 12 (JTA)--Mrs. Rachel Shazar, the widow of Israel's third President, Zalman Shazar, and one of the founders of the Women's Labor Movement, died yesterday. She was 66. The former Rachel Katznelson, Mrs. Shazar was born in Bobruisk, White Russia and came to Palestine in 1912. She was a graduate of the Women's University in Petersburg (now Leningrad). At the same time she attended lectures at the Academy of Jewish Studies. She later studied German literature in Berlin.

During her first years in Palestine, Mrs. Shazar taught Hebrew at the Girls Training Farm at Kinneret and was a member of kibbutzim in the Galilee and Judea. She married Zalman Shazar in 1920. Mrs. Shazar, who was always active in Zionist affairs, was a delegate to many Zionist Congresses. She was the founding editor of Dvar Hapolet in 1934, a member of the Women's Working Council from 1930-63, served in various capacities with the Histadrut and was an executive member of Mapai and later the Labor Party.

TEL AVIV (JTA)--For the first time an Israeli firm has been included in Fortune magazine's list of the world's 300 largest industrial firms. The firm, Koor, which is Histadrut-owned, was listed as 223rd of the 300. Last year Koor was a candidate for inclusion on the list but did not make it. It was the 301st. ***

TEL AVIV (JTA)--A Katyusha rocket was fired Monday night from Jordanian territory towards the Mechola settlement in the Jordan rift. No damage or casualties were reported.

ADL CHARGES COMMERCE DEP'T. ASSISTING ARAB BOYCOTT OPERATIONS AGAINST ISRAEL

NEW YORK, Aug. 12 (JTA)--The Anti-Defamation League of B'nai B'rith today charged that the U.S. Department of Commerce is itself "cooperating and assisting" in Arab boycott operations against Israel while reminding American firms that federal law requires them to report boycott requests.

In a letter of protest to Secretary of Commerce Rogers Morton, Seymour Graubard, national chairman of the ADL, said that the Department is disseminating foreign tenders which include boycott provisions against Israel. He specifically cited a nationally disseminated letter from the Department's Office of Business Research and Analysis to which was attached a June, 1975 communication from Iraq seeking to purchase 3550 pre-cast buildings.

Included in the specifications, terms and conditions, was a boycott provision reading as follows: "Country of Origin: The tenderer should not incorporate (sic) this tender any material that has been manufactured in Israel or by companies boycotted officially by Iraqi Government."

When the matter came to ADL's attention, Graubard said, the ADL telephoned the Commerce Department desk which circulated the mailing and was advised that "it is routine practice" to disseminate such tenders. In some cases, ADL was told, the Commerce Department "writes them up," and in other cases, the distribution is arranged by computer. Graubard said the League was also informed that the tenders are received by Commerce from the U.S. State Department. The letter itself states that Commerce received the tender from "a U.S. foreign service post."

Evidence Cited

Under the direction of Arnold Forster, ADL's associate director and general counsel, a League representative visited the Department of Commerce and examined tenders distributed by its Office of Domestic and International Business-Trade Operation from about 1974 to the present.

The ADL only spot-checked tenders from Iraq, Saudi Arabia, Libya, Syria, Qatar, Egypt, Lebanon, Jordan, and the United Arab Emirates and found one other instance in which the Department distributed a tender containing Arab boycott provisions and other questionable informational requirements.

Forster said the tender containing Arab boycott provisions was a bid received March 4, 1975, inviting tenders for a supply of industrial locomotives to a company in Samawah, Iraq. Attached to the form was a listing of "General Terms and Conditions." In a section titled "Certificate of Origin," was the following:

"Tenderer must submit certificate of origin specifying that the goods are not of Israeli origin, not the company having a branch in Israel, and that they will not be shipped on Israeli or black-listed vessels. This certificate must be legalized by the Iraqi or any Arab consulate or representative and in the case of their non-existence, legalization by Chamber of Commerce or Industry in the Country of Origin or port of shipment will suffice."

Three Examples Given

In addition, the ADL search of Commerce files turned up informational requirements which if complied with, Forster said, would enable the Arab

country to take the next step of rejecting bids that violate boycott rules. He gave the following as examples:

Egypt--bidders must submit offers through Egyptian commercial companies or through an Egyptian agent (which may limit freedom of trade by having to go through such contacts); Qatar--in a bid for tenders received Sept. 24, 1974, regarding communication pipes, "Tenders should include product's country of origin and name of producers...."; Libya--bid for tenders received Aug. 16, 1974, requires bidding through Libyan agent. Further, this bid request for X-ray diagnostic units for eight Libyan hospitals states "Restricted Tender Board can reject any tender without explanation."

"It is ironic," Graubard declared in his letter to Morton, "that the Commerce Department distributes warnings to American companies to remind them that the provisions of the Export Administration Act require a report to the Department of any request for boycott compliance--while your Department itself is disseminating proposed purchases which include requests for Arab boycott." He asked that "the Commerce Department comply with American public policy as set forth in the Export Administration Act, which opposes submission to boycott demands of friendly countries by other foreign powers."

Earlier this month, Commerce Department officials reported that the Department's Office of Export Administration had sent a letter to more than 30,000 U.S. firms which export goods abroad in order to remind them of a 1965 federal law that requires them to report boycott requests. According to the OEA, a total of 1800 such requests were reported in April, May and June.

ISRAEL TO BOYCOTT CRIME CONFAB

TEL AVIV, Aug. 12 (JTA)--An Israeli professor will be the rapporteur for the United Nations crime prevention conference next month but the Israeli government will boycott the event being held in Geneva. The conference was moved from Toronto to Geneva after a dispute arose in Canada over admitting representatives of the Palestine Liberation Organization to that country as observers to the conference.

The Israeli decision came after criticism was aired that Prof. Shlomo Shoham, a lecturer on criminology at Tel Aviv University, had accepted an invitation from the UN Secretariat to guide the discussions and organize the professional papers. He had consulted the Foreign Ministry before accepting. But critics here charged that an Israeli was selected as rapporteur to give the appearance of Israeli approval for the conference.

The Foreign Ministry, which supported Shoham, said that no official Israeli delegation would attend the conference. One source noted that while Israel's policy was not to withdraw from UN organizations or conferences even if the PLO was present, having the PLO at a crime prevention conference was a "blatant absurdity."

RIO DE JANEIRO (JTA)--Brazilian Foreign Minister Antonio Francisco Azeredo da Silveira has reportedly given Israeli Health Minister Victor Shemtov assurances that Brazil will oppose any move to suspend or expel Israel from the United Nations General Assembly. Rio's well-informed "Globo" said that although no official statement was issued when the two officials met in Brasilia it has learned that this assurance was given.