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HOUSE COMMITTEE REPORT ON BOYCOTT PRACTICES SAYS COMMERCE DEPARTMENT 'ACTUALLY SERVES TO ENCOURAGE' THEM **Legislation Urged To Deter Practices** **By Joseph Polakoff**

WASHINGTON, Sept. 7 (JTA)--A House subcommittee that has been investigating for 18 months Arab boycott practices against American companies trading with Israel, said today in an extensive report signed by 15 of its 16 members that the Department of Commerce "actually serves to encourage" the practices and recommended specific legislation to deter them.

The report by the subcommittee on oversight and investigations led by Rep. John Moss (D. Cal.) concluded that "at least \$4.5 billion worth of U.S. sales and proposed sales to Arab countries in 1974 and 1975 were subject to boycott requests." It estimated that American exporters "complied with at least 90 percent" of all boycott requests "contained in boycott-affected sales documents reported to the Department the last two years."

The Department, the report also charged, encouraged the boycott "implicitly by condoning actively declared against national policy or simply by looking the other way while these practices grew."

Cites 10 Years Of Shame

At a news conference at which the approximately 30,000-word report was made public, Moss; Rep. James Scheuer (D. N.Y.), who requested the subcommittee's investigation in March 1975; and Rep. Henry Waxman (D. Cal.) blamed former Commerce Secretary Rogers C.B. Morton and the Commerce Department's policy since 1965 as being chiefly responsible for what Scheuer called "a record of 10 years of shame."

The Export-Administration Act, passed in 1965, calls for reports from American companies subjected to demands by Arab countries against trading with Israel or with companies that trade with Israel or those owned or administered by Jews. Morton had refused to make the reports public on the grounds of confidentiality, but made them available in September, 1975, when the House Committee on Interstate and Foreign Commerce, parent body of the subcommittee, adopted a contempt citation against him. Morton resigned as Secretary last February.

'A Damning Chronicle of Evasion'

In a supplementary report, six of the subcommittee members said "the investigation has opened the wall of secrecy which has surrounded much of the Arab boycott." But it declared that "strikingly absent" from it "and obscured even today by Commerce Department policy, is the answer to the question of how many businesses have changed their business practices in order to comply with the boycott's restrictions and have in effect become tools in the Arabs' economic warfare against the State of Israel."

Nevertheless, the six members said "despite this inevitable shortcoming, this report is a damning chronicle of evasion and subversion by several Administrations and, to a lesser extent, by the business community of the clear Congressional

mandate opposing boycotts and restrictive trade practices." The six signers were Reps. Moss, Waxman, Scheuer, Anthony Toby Moffett (D. Conn.), Richard Ottinger (D. N.Y.) and Andrew Maguire (D. N.J.).

Rep. James M. Collins (D. Texas), the subcommittee's lone dissenter from the report, declared he holds "no brief" for the boycott but contended that "the answer to the problems" it has caused "cannot be ameliorated by the restrictive legislation that is being considered by the House and the Senate at this time nor by the legislative recommendations" in the report.

Mideast Peace Is Ultimate Answer

Legislation adopted by a Senate-House conference for the tax reform bill would deny tax benefits to American companies that engage in a boycott. Proposals for the Export-Administration Act, adopted by the Senate and awaiting House action, would compel public disclosure of all Arab boycott demands on American companies and impose penalties of up to \$10,000 for each failure to do so.

Collins contended at the briefing that "the ultimate answer" to the boycott problem lies in "a just and lasting peace in the Middle East." Saying that "we consider the Middle East the frontier of this country and we mean to keep the peace there," Collins added the subcommittee's recommendations if adopted into law would "aggravate the successful and peaceful relationship" the United States has with the Arab countries.

At the Commerce Department, Communications Director Horace Webb, a chief assistant to Commerce Secretary Elliott Richardson, Morton's successor, said that the Department has not yet received a copy of the report.

Veto Would Be Outrageous

Asked by a reporter about the possibility of a veto by President Ford of the pending legislation, on economic and diplomatic grounds, Moss said that a veto "would not only be political dynamite but morally outrageous," adding that "I would feel very strongly" on the moral grounds. Moss said that the Commerce Department's handling of the boycott has not "improved sufficiently" although he said it is "not as bad" as under Morton.

Responding to Collins' point that the U.S. is increasingly dependent on Arab oil, Moss said the U.S. "doesn't have to stand in fear of it" or of a loss of trade with the Arab states. "Certainly we want to get away from depending on foreign oil," he said. "But in the meantime, we should not have to pay blackmail. Nobody is pushing the Arab nations to come into the American market. They are coming by their own will and will continue to come."

NO PRACTICAL IMPORTANCE SEEN IN PLO'S VOTING RIGHTS IN ARAB LEAGUE

JERUSALEM, Sept. 7 (JTA)--Political observers here attach no practical importance to the Arab League's grant of full voting membership to the Palestine Liberation Organization. They said that conferring the status of a state on the PLO had no validity whatsoever in international

law and predicted that any attempt to get the PLO admitted to the United Nations would fail.

The status of a voting member was conferred on the PLO at a meeting of the Arab League in Cairo yesterday. It had previously been a non-voting member. The League acted unanimously on a motion sponsored by Egypt. Israeli observers maintained that the decision stemmed from the present division in the Arab world over the conflict in Lebanon. They said that Egypt was seeking to assume the role of champion of the Palestinian cause in a move against Syria whose forces have been battling the Palestinians in Lebanon.

According to Israeli circles, any request to admit the PLO to the UN as a full member would have to be rejected because the PLO does not fit any of the criteria which determine a state according to the UN Charter. The PLO was granted observer status by the UN General Assembly last year and has participated in Security Council debates on the Middle East. Should a combination of the Arab, African and Communist bloc states press for admittance of the PLO, such a move would certainly be vetoed by the United States and by many other nations, the observers here said.

TURKISH OFFICIAL SAYS HIS COUNTRY IS NOT COOL TOWARD ISRAEL

JERUSALEM, Sept. 7 (JTA)--Yosmatin Celebi, a member of the Turkish Senate visiting Israel, said that his country was interested in maintaining friendly ties with all nations and that he was not aware of any Turkish coolness toward Israel. Celebi, a former Istanbul radio news director, was interviewed on the Israeli radio during a tour of its studios.

He stressed that his visit to Israel--the first in a long time by a Turkish political figure--was private. But he conceded that it did have certain political significance. Turkey, a Moslem country has been neutral in the Arab-Israeli conflict. But Ankara has kept a low profile with respect to its relations with Israel.

Celebi observed in his interview that Israel is an existing fact and Turkey's neighbor. But he insisted that his visit had nothing to do with current affairs. He said he had no details regarding the fate of two Arab terrorists who attacked an El Al plane at Istanbul Airport last month because he was out of the country at the time of the incident. However, he said the terrorists should be tried in Turkey before their extradition is considered, if at all.

Israel said after the airport assault that it would seek to extradite the terrorists, but subsequently announced it will not do so. The two terrorists have been formally charged with murder and the prosecution will ask for the death penalty. Meanwhile, they are being held in custody pending trial.

DULZIN OPPOSED TO DECISION NOT TO HOLD ELECTIONS FOR ZIONIST CONGRESS

LONDON, Sept. 7 (JTA)--Leon Dulzin, treasurer of the World Zionist Organization and the Jewish Agency, voiced strong opposition here to the decision not to hold elections for the next World Zionist Congress scheduled to open in Jerusalem in January. "Avoiding elections would be a blow to the democratic nature of the Zionist movement," Dulzin declared in an address before the European conference of the World Union of General Zionists. Dulzin, a leader of the Likud opposition in Israel, is co-president of the World

Union.

He said the decision to forego elections was made by groups intent on maintaining the status quo because they feared elections might demonstrate the erosion of their power in the Zionist movement. He said the World Union was one of those Zionist bodies that would be adversely affected by the failure to hold elections.

The General Zionists have grown in Britain in recent years, but if elections are not held, their representation at the Congress would be based on their strength at the last Congress and would not reflect their gains since then, he declared.

Dulzin rejected the contention that elections were too costly. He said that if an electoral college system was employed, the costs would be minimal. He also stressed that "elections would provide the public forum for a debate on the major issues that will face the Zionist Congress. A debate on Zionist ideology and responsibility will not divide the Zionist movement but revitalize it. Differences of opinion are not necessarily disunity. An open debate once in five years is not only necessary but indispensable," he declared.

Dulzin also called for a demonstration of Jewish solidarity, not only in the diaspora but in Israel. He said the differences within the Israeli government affect its daily work. He thought that Likud has a good chance of winning the next elections in Israel and proposed that they be held before the present government's mandate expires in October, 1977. He supported the government's policy in the Lebanese crisis, saying that the "good fence" on the Israeli-Lebanese border showed that "in a world of brutality, Jews are different by opening their borders to their so-called enemies."

U.S. HOPES TO AVOID CONFRONTATION WITH ISRAEL OVER OIL EXPLORATIONS

WASHINGTON, Sept. 7 (JTA)--The State Department said today it hopes the United States and Israel will be able to "minimize the possibility of a confrontation" over the oil explorations by an American company in the Gulf of Suez.

Department spokesman Frederick Brown denied that the State Department had expressed anger when it complained that Israeli naval units had damaged equipment owned by Amoco which is drilling for oil in the gulf for the Egyptians. "We made our position clear to the Israelis," Brown said, adding "the legalities are complex." The "main thing," he said, is that "we are talking."

The Israelis have used naval patrols to keep the oil drilling in what they consider the Egyptian-controlled part of the Gulf of Suez and not Israeli-held waters. The State Department believes Israeli control is confined to the Sinai and does not extend into the adjacent gulf. Brown said the Department believes that the American company has the right to explore the gulf in the area in which Israeli patrol boats ripped up the oil drill's moorings. Replying to a question, Brown said that during the incident, the Israelis had shot at some markers but not at any of the Americans.

Undersecretary of State Philip Habib and Israeli Ambassador Simcha Dinitz discussed the incident at the State Department yesterday. An Israeli Embassy spokesman said the meeting was "routine." Discussions on the topic had been held in the past and will continue, he said. He added that it is untrue to speak of the possibility of a confrontation over this "small matter."

CONSORTIUM WHICH INCLUDES BANKS IN ARAB COUNTRIES BUYS NEARLY 10% OF STOCKS IN REYNOLDS SECURITIES

Reynolds Says It Was A Private

Arrangement Between Group Of Shareholders

NEW YORK, Sept. 7 (JTA)--A Paris-based international consortium, half of which is made up of banks in oil-rich Arab states, including the Persian Gulf principalities, Saudi Arabia and Libya, has purchased nearly 10 percent of the common stock of Reynolds Securities International, one of America's largest securities organizations.

The transaction was announced today by Reynolds' chairman, Robert M. Gardiner, who stressed that the sale was a private arrangement between a group of individual shareholders who wanted to liquidate and that Reynolds itself was not a participant.

Gardiner said, however, that the sale of 500,000 shares was welcomed by Reynolds because it would serve as a channel through which petrodollars will flow into constructive investments in the free world. He noted that "insider" shareholders of Reynolds continue to own approximately 50 percent of the outstanding voting securities.

The purchase was made by Banque Arabe et Internationale d'Investissement (BAII), a wholly-owned subsidiary of the consortium, Compagnie Arabe et Internationale d'Investissement (CAII). The Arab interest in BAII, amounting to 50 percent, includes the government of Abu Dhabi; three Kuwaiti banks; one Lebanese bank; the National Investment Co. of Libya and the Gumbouria Bank of Libya; banks in Morocco, Qatar, Tunisia, Sudan and the National Commerce Bank of Saudi Arabia.

Non-Arab participants include the Bank of America and banks in Austria, Belgium, Brazil, Canada, France, West Germany, The Netherlands, Italy, Japan, Luxembourg, Spain Switzerland and Barclay's Bank of the United Kingdom.

Yves Truffert, chairman and chief executive director of the BAII, which was incorporated in 1973, noted that its primary objective was to promote fruitful financial cooperation between the Arab and non-Arab world.

Not An Arab Takeover

In a question-and-answer sheet released with Gardiner's announcement, Reynolds addressed itself to the effects of the stock sale on its various Jewish constituencies. It stated:

"Yes, a substantial number of Reynolds' employees, shareholders and customers are Jewish, and management believes that their support and confidence in the company will continue... Management acknowledges the possibility of an emotional reaction on the part of some of its valued clients, but is hopeful that the logic of peaceful and productive relations will prevail... There may be some misinterpretations by individuals who will point to the sale as an 'Arab takeover.' Of course, it is not anything like that..."

The question-and-answer sheet dismissed the Arab boycott issue. "Boycott has no relevance in this case, and Reynolds management would not tolerate any boycott philosophy or action in any aspect of its business," it stated. According to a "fact sheet" released by Reynolds, the firm has about 3000 employees and provides services to about 400,000 institutional and corporate clients.

LIBYA TRYING TO CHANGE ITS IMAGE

UNITED NATIONS, Sept. 7 (JTA)--Diplomatic

sources here said today that Libya was making strenuous efforts to dissociate itself from aerial hijacking and other acts of terrorism as a result of Israel's recent accusation that Libya is a center of international terrorism. Israeli Ambassador Chaim Herzog made the charges last month in letters to UN Secretary General Kurt Waldheim and to the then President of the Security Council protesting the fact that Libya's Ambassador would be this month's Security Council President.

According to the diplomats, Libyan representatives have been trying to convince other delegates that Libya does not support terrorists. A case in point was Sunday's hijacking of a Dutch airliner by Palestinian terrorists. Libya was one of several Arab countries that refused landing permission to the seized plane which eventually landed at Cyprus where its passengers and crew were released unharmed. But Libya's role in the Air France hijack was cited by Israel during the Security Council's debate on the Entebbe rescue mission last July.

KLM ASKED TO PROBE ANTI-CHILE CAMPAIGN BY ANNE FRANK FOUNDATION

AMSTERDAM, Sept. 7 (JTA)--The KLM airline company in this city has been asked to investigate reports that the Anne Frank Foundation is conducting a campaign against the government of Chile. Chilean tourists have reportedly complained that the Anne Frank House has become a "political instrument" against their country's government.

The house is a tourist attraction widely publicized by many tourist agencies and airline companies. The KLM, in its publicity in Chile, advertises the house as a tourist site and is now concerned that the anti-Chilean attitude may adversely affect Chilean tourist traffic to Holland via KLM. Arnold Dijkstra, KLM's director in Chile, has asked the airline firm's headquarters here to take appropriate steps.

The Anne Frank Foundation said it not only wants to keep alive the memory of the horrors caused by fascism during World War II, but also wants to focus attention on present-day fascism and human rights violations, including violations in Chile. The foundation last year organized an exhibition portraying what it termed present day fascist activities in Chile.

An Israeli parliamentary delegation visiting the Anne Frank House two years ago expressed shock and astonishment at an exhibition in which Israel was strongly attacked for its attitude towards the Palestinians.

YEAR OF TORAH EDUCATION

NEW YORK, Sept. 7 (JTA)--Mayor Abraham D. Beame has proclaimed the 1976-77 school year as "The Year of Torah Education" in New York City. The resolution, which supports the campaign by the Lubavitcher Rebbe, Rabbi Menachem M. Schneerson to give every Jewish child a Jewish education, was accepted by Rabbi Shmuel M. Butman, director of the College and University Council of the Lubavitch Youth Organization.

Beame's resolution, noting that the Lubavitch's international headquarters has been in New York City for 36 years, said that "this drive will not only strengthen the innate religious feelings of the Jewish inhabitants of our city, but will also lend added force and vitality to their moral and ethical values."

SPECIAL INTERVIEW**BERNICE TANNENBAUM; HADASSAH HAS SOMETHING FOR EVERY JEWISH WOMAN**

By David Friedman

NEW YORK, Sept. 7 (JTA)--Bernice Salpeter Tannenbaum, who was elected as the 16th president of Hadassah last month, first joined the women's Zionist organization 36 years ago because she felt it had something to offer every Jewish woman. "You can find a role for yourself in Hadassah," she told the Jewish Telegraphic Agency.

Interviewed in her office in Hadassah's new midtown-Manhattan national headquarters, Mrs. Tannenbaum believes the same thing is true today. She pointed to a recent survey which found that 30 percent of Hadassah's 350,000 members are under 30 and 75 percent are college educated.

Young Jewish women are attracted to Hadassah because they know it is a volunteer organization in which 96 percent of the funds raised go for its projects, not for staff, Mrs. Tannenbaum stressed. She said most of the work is done by volunteers and policy is made by volunteers. "There are no honorary chairmen in Hadassah," she said.

Noting that Hadassah is a woman's organization, not part of the women's liberation movement, Mrs. Tannenbaum said that Hadassah members put in long hours and do work for the organization that they would never do at home. But she stressed that Hadassah's members are not only housewives, but women with full-time careers or part-time jobs. She said many also play an active role in their communities, both in Jewish and non-Jewish activities.

Zionist In Practice

Hadassah is the largest Jewish women's organization, the largest Zionist organization and the largest volunteer organization of any type, Mrs. Tannenbaum said proudly. She pointed to the important role it plays in the Conference of Presidents of Major American Jewish Organizations, the American Zionist Federation, the World Zionist Organization, the Jewish National Fund; in fact, every major Jewish and Zionist group.

Hadassah, she observed, expresses its Zionist philosophy through practical means. As examples, Mrs. Tannenbaum focussed on the work Hadassah is doing in Israel among Jews and Arabs. The Mt. Scopus building, which was re-opened last year, will soon have 100 of its eventual 300 beds in operation. The new Moshe Sharett Institute of Oncology for cancer and allied diseases, located on the Ein Karem campus, will provide cancer research and treatment. A new private pavillion, the first in Israel, will also be part of the Hadassah operation. Mrs. Tannenbaum said that Hadassah was asked to open the pavillion because so many people from abroad want to come to Hadassah for treatment.

Hadassah has also trained most of Israel's doctors. Hadassah doctors work at the clinics Israel has set up along the Lebanese border and two Hadassah doctors were with the Israeli commando unit that rescued some 100 hostages from Uganda. Mrs. Tannenbaum noted that 10 percent of Hadassah's patients are Arabs and Hadassah has given refresher courses to Arab doctors and nurses.

Other Fields Of Activity

She pointed out that another major field for

Hadassah in Israel is education. Hadassah is expanding its comprehensive high school in Tel Aviv which for the first time in Israel combined vocational and general education. She said it also is developing two-year community colleges. She said both the high school and the community colleges are training students in jobs that are allied to the medical and scientific field.

Hadassah is a major contributor to Youth Aliya which is expanding its program to include students from disadvantaged homes in Israel. Mrs. Tannenbaum said Hadassah has recently opened youth day centers in Ashdod, Tel Aviv, Lod and Jerusalem for children whose parents do not wish them to live away from home in Youth Aliya villages. Hadassah has also opened the first child day care center in Israel, she said.

In the United States, Mrs. Tannenbaum said, "We believe we have a special role in Jewish education and Zionist education and information. To carry out this role Hadassah sponsors youth programs for boys and girls -- Hashachar (Young Judea) and Hamagshamim for college age students. There are various camps for the youth and there are numerous programs in Israel. Graduates of these programs recently founded two new settlements in Israel, Neve Ilan, near Jerusalem and Ketuva near the Dead Sea.

A Non-Partisan Organization

While Hadassah itself has only women members, it has recently founded a group known as Hadassah Associates, made up of men who want to be affiliated with Hadassah. The group, which has under 10,000 members, is concentrating on raising funds for cardiac research.

Mrs. Tannenbaum stressed that Hadassah is a non-partisan organization in the United States but as an American group with chapters in every state and Puerto Rico, it does take stands on issues of great concern such as gun control, civil rights, voting rights, anti-terrorism measure, overseas aid and energy to name a few.

But she said in Israel Hadassah does not take stands on the issues there and in fact is a member of the World Confederation of United Zionists, made up of non-political Zionists. Hadassah is a diaspora organization and should not speak on political issues in Israel, Mrs. Tannenbaum said. She said once Hadassah members make aliya they then have the right to speak out on political issues in Israel.

Mrs. Tannenbaum, who succeeded Rose E. Matzkin as president, came up through the ranks as do all Hadassah presidents. She joined Hadassah in 1940 founding the Kew Gardens branch in Queens and became a member of Hadassah's national board in 1954 and served in various leadership posts. Most recently she was national Hadassah Medical Organization fund-raising chairman.

Mrs. Tannenbaum has been a delegate to five World Zionist Congresses and attended the sixth plenary assembly of the World Jewish Congress in Jerusalem in 1975 where she and her son Richard Salpeter, were the only mother-son team at the gathering. Mrs. Tannenbaum is presently also national vice-president of the American Zionist Federation, a member of the World Zionist Organization's Zionist General Council and the executive bodies of the National Conference on Soviet Jewry, the American-Israel Public Affairs Committee and the American Section of the World Jewish Congress. A life-long resident of New York City, she is a graduate of Brooklyn College.