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LEGISLATION INTRODUCED TO KEEP TABS ON ARAB INVESTMENTS IN U.S.

WASHINGTON, Jan. 30 (JTA)--The Senate subcommittee on securities is studying legislation aimed at barring investments detrimental to the American economy, notably by the wealthy Arab oil producing states. The legislation was introduced in the Senate this week by Sen. Harrison A. Williams (D.N.J) and referred to the subcommittee which he heads. The measure would require disclosure of all substantial foreign holdings in American firms and would authorize the President to prohibit foreign investments that could harm the economy or U.S. foreign policy.

Williams noted in a statement that his bill would be directed at all foreign investors. He pointed out, however, that the Arab nations have received huge amounts of capital recently as a result of their oil exports, far in excess of what they could channel into their own economies. He said that in 1973, the Arab oil producers took in \$112 billion while their countries at best could absorb only an estimated \$60 billion leaving a huge surplus for investment abroad.

The Senator acknowledged that some foreign capital investment is needed in the U.S. "But we must ask ourselves," he said, "whether permitting foreign investment without any government oversight is consistent with the national interest. In my opinion, the absence of a watchman at our door exposes us to dangers which we have no reason to accept. This is particularly true in light of unpredicted political and economic implications of Arab oil diplomacy," Williams said.

An aide to the Senator explained that he was referring to the ability of foreign investors to cripple the American economy if they gained control of large companies. They could provoke a recession by laying off large numbers of employees or they could cause a crisis in the manufacture of defense weapons by refusing to manufacture such items as steel, the aide said.

UNCOVER TERRORIST CELL IN GAZA STRIP

TEL AVIV, Jan. 30 (JTA)--Israeli officials reported today that Israeli security units had uncovered during the past two weeks in the Gaza Strip a number of terrorist cells of the "Popular Front for the Liberation of Palestine" and that some 40 suspected terrorists had been detained. Among those arrested, it was reported, was the commander of the "Front" in the Gaza Strip.

The investigation, which covered the entire Strip, found members in possession of weapons, explosives and other demolition devices, as well as an Arabic-language typewriter and a mimeograph machine. Several terrorist acts have been reported in the Gaza district in recent months, including an attack on an Israeli television team on a Gaza main street in which two team members were injured. Security sources called the uncovering of the cells an important achievement.

PLO REQUEST TO SEND DELEGATION TO AUSTRALIA REJECTED BY GOVERNMENT

By Sam Lipski

MELBOURNE, Jan. 30 (JTA)--After widespread protests the Australian government last

night rejected a request by the Palestine Liberation Organization to send a five-man delegation to visit Australia. The Prime Minister, Gough Whitlam, announced the government's decision after a Cabinet meeting in Canberra had considered the storm of opposition raised by the proposal. Whitlam said he "regretted the need to ban the visit but the decision was necessary because "at this time it would exacerbate division in the community."

The government's refusal to issue visas to the PLO was a reversal of an earlier agreement to allow the PLO delegation to come here provided that its members passed a security check. One member of the delegation, Abdul Hamad, had already been rejected after being identified as a close associate of PLO operatives who planned the Munich massacre in 1972.

While the delegation was not coming at the invitation of the Australian government but on a "private" visit under the sponsorship of left-wing trade unions and student groups, the decision to accept an official PLO delegation was immediately attacked as a major shift in Australia's proclaimed "even-handed and neutral" policy on the Middle East.

Jewish Community Encouraged

Although Jewish communal organizations launched a major protest campaign against the proposed visit, the most telling opposition to the PLO came from within the ranks of the governing Labor Party itself. The president of the Australian Labor Party, Bob Hawke, described the PLO as "wanton killers" who would not be welcome here. Hawke is also president of the Australian Council of Trade Unions and has been an outspoken supporter of Israel in the past. He has often differed with Whitlam on Australia's "even-handedness" which has led to votes against Israel by Australia in the United Nations.

Hawke received widespread support from prominent labor leaders and influential sections of the media. The Conservative opposition parties attacked the government saying the PLO could not come to Australia until it was prepared to recognize Israel.

The strength and extent of the opposition to the PLO surprised Jewish leaders here who have been increasingly concerned at the erosion of support for Israel in the wider community. The acting president of the Executive Council of Australian Jewry, I.J. Leibler, said that the 70,000 Jews in Australia felt encouraged and gratified by the outpouring of support for Israel and the rejection of the PLO.

Faced with the threat of a split within the party and government ranks on the issue, and already in political difficulties because of its economic policies on inflation and unemployment, Whitlam's Cabinet decided by a narrow margin not to go ahead with the visit in the present political climate. Left-wing groups, who had bitterly denounced the government, say they will renew the invitation to the PLO at a later date.

ADMINISTRATION TRYING TO LINK AID TO ISRAEL WITH AID TO VIETNAM

WASHINGTON, Jan. 30 (JTA)--The Ford Administration may try to forge a link between U.S.

aid to Israel and its efforts to persuade Congress to vote supplemental aid to South Vietnam and Cambodia, Peter Lisagor, Washington correspondent of the Chicago Daily News reported today.

"Neither President Ford nor his spokesmen make the link explicitly. But in their emphasis on U.S. credibility as an ally and on the 'moral commitment' to embattled nations, they hope to make an implicit connection between Israel and Indochina," Lisagor wrote. Because the Democrats who control Congress and even a majority of Republicans are not expected to support Ford's \$300 million aid request for the Saigon regime, the Administration is seeking to enlist the support of Congressional supporters of Israel, Lisagor said.

"It is not a novel ploy," he wrote. "The late President Johnson often sought to prop up waning support for South Vietnam by insisting to pro-Israeli groups that they should not make distinctions in the U.S. effort to aid countries under siege." Meanwhile, the Administration is "coming down hard on the 'moral commitment' made by the U.S. in the Paris peace agreement to help South Vietnam defend itself. Administration sources concede that the 'commitment argument' might have to be made in the future in connection with aid to Israel. But supporters of Israel generally reject that argument," Lisagor said.

SCHLESINGER CRITICAL OF ISRAELI TANK TACTICS DURING OCTOBER WAR

By Joseph Polakoff

WASHINGTON, Jan. 30 (JTA)--Secretary of Defense James R. Schlesinger said today that "deficiencies" in Israeli tank tactics during the Yom Kippur War rather than faults in American tanks led to "substantially exaggerated" accounts of the effectiveness of anti-tank missiles used against Israel in that war. He said the same exaggeration applied to the effectiveness of anti-aircraft missiles against Israeli aircraft but did not elaborate.

Schlesinger made his statements in reply to questions at the Center for Strategic and International Studies at Georgetown University where he spoke on the decline of American military power and the concurrent growth in Soviet strength. He said that data on those missiles in the conflict, as opposed to "the initial rumors" that came from the Middle East, made it "evident that the lethality of those weapons systems against either tanks or against aircraft was substantially exaggerated."

The Defense Secretary said that while the anti-tank missile is an effective weapon, "the problem in the Middle East was that the Israelis did not use tactics of combined arms. They did not combine appropriate screening by infantry forces for their tank units. As a result of those deficiencies in tactics, their immediate reaction was that the value of the tank had been exaggerated," Schlesinger said.

He agreed that "indeed, it had," but added, "I have noticed, however, as I look at our own inventory of tanks, that there has been no decline in demand for those tanks during the course of the past year on the part of belligerents in the Middle East or on the part of others. The most effective tank killer continues to be the tank," he said. In reply to another question, Schlesinger said "it is plain" that "a close political association" exists between the U.S. and "some of the Persian Gulf states." He did not name them.

HERZOG MAY REPLACE TEKOAH AT UN

JERUSALEM, Jan. 30 (JTA)--Haim Herzog will inform Foreign Minister Yigal Allon within a few days whether he will accept Allon's offer to become Israel's next Ambassador to the United Nations, sources here said today. Allon made the offer several weeks ago and Herzog asked for time to consider it. The sources said he is expected to accept the post.

Herzog, 57, who was born in Belfast and came to Palestine in 1935, is a retired army general. He served as chief of military intelligence from 1959-62 and was the first Military Governor of the West Bank. Since his retirement he has devoted himself to writing and broadcasting and is regarded as Israel's leading military commentator. If he accepts the UN post he will succeed Ambassador Yosef Tekoah who is scheduled to leave in the spring to assume the presidency of Ben Gurion University.

NEW SATIRE PROGRAM JOINS 'HAWAII FIVE-O' IN TOP RATING

JERUSALEM, Jan. 30 (JTA)--Israeli television viewers have enthusiastically taken to a novel form of entertainment offered to them for the first time--sophisticated satire. A viewer poll published this week showed that the fortnightly satire show, "Nikui Rosh" ("Cleaning the Head") has joined the ever-popular "Hawaii Five-O" police series at the top of the ratings.

The satire show lampoons all the political leaders, the Chief Rabbinate, and even the President who was recently represented as naively giving away the country's atom secrets to a group of farmers in Gadera. That skit caused raised eyebrows within the broadcasting authority, and a pro forma apology was given, but the public was plainly on the side of the show's producers who maintained that the President was fair game and nothing must be sacrosanct from good-natured ribbing.

"Hawaii Five-O's" hero, Jack Lord ("Steve McGarret") was recently reported here to be Jewish--but later reports denied this. The Israeli viewers remain devoted admirers of the tough Hawaii cop regardless; ninety percent of the two million-plus viewers say they don't miss a show of "Hawaii Five-O" if they can help it.

NEO-NAZI GROUP BANNED

VIENNA, Jan. 30 (JTA)--Austrian police today outlawed the right-wing "Organization of National Democratic Students" on grounds of neo-Nazi activities and banned a planned demonstration by the organization to mark the 42nd anniversary of Hitler's rise to power in Germany.

A police spokesman said the student organization, founded only two months ago as part of the tiny right-wing National Democratic Party (NPD), distributed leaflets claiming the mass murders of Jews under the Nazi regime were "fabricated lies." The Austrian Resistance Organization had threatened counter demonstrations should police permit the neo-Nazi meeting in front of the Vienna University.

The Socialist Youth Organization, in an open letter to the police, welcomed the ban of the Students' League but demanded that the NPD be banned as well for neo-Nazi activities. In a similar demonstration last month, some 500 anti-Fascist students clashed with 80 members of the "National Democratic Students." Jewish student organizations from the very beginning, had urged a ban of the organization. Jewish student leader Guenther Klodner said the 1955 treaty which granted Austria full independence prohibits neo-Nazi activity.

**SEGMENT OF AGRANAT COMMITTEE
REPORT RELEASED; NO BOMBHELLS;
GONEN'S SHORTCOMINGS HIGHLIGHTED**
By David Landau and Yitzhak Shargil

JERUSALEM, Jan. 30 (JTA)--Forty-two pages of the 1500-page long awaited final report of the Agranat Committee on the conduct of the Yom Kippur War were made public here this evening. The full report was submitted earlier in the day to Premier Yitzhak Rabin and will be formally presented to the Cabinet next Sunday.

The report, which covers the first three days of the war, deliberately refrained from assigning responsibility for shortcomings on the political level. The three-man panel, headed by Supreme Court Chief Justice Shimon Agranat, claimed that its sole task was to investigate the conduct of the war by the military.

The relatively tiny segment handed to journalists therefore contains no bombshells and is not likely to precipitate a national controversy such as greeted publication of the committee's interim report last April. But there was tension in the air tonight nevertheless. The document largely confirms the findings of the interim report which led to the resignation of Army Chief of Staff Gen. David Elazar and the resignations or demotion of several senior army intelligence officers.

Four of the 42 pages released tonight are devoted to the shortcomings of Gen. Shmuel Gonen who was commander of the southern front when Egyptian forces launched their surprise attack across the Suez Canal on Oct. 6, 1973.

While the Agranat panel found Gonen to be an outstanding and courageous commander on the divisional level, with an excellent military record, it found his abilities inadequate to command larger formations in actual battle. The criticism of Gonen concentrated largely on events of Oct. 8 when Israeli forces suffered a severe setback in their first attempt to counter-attack advancing Egyptian forces.

Sharon's Action Vindicated

The report said: "The investigations into the preparations and handling of the battle of the 8th of Oct. convinced us that Gonen did not stand up to the expectations as a frontal commander; he did not prepare for battle in a fundamental way; he did not prepare a detailed operation order and did not see to it that the order reached the divisional commanders; did not make sure that his forces concentrated properly toward the operation; did not ask to see the plans of his subordinates and therefore was unable to approve them."

The report vindicated Gen. Ariel Sharon, a Yom Kippur War hero, of breach of discipline in his initial refusal to obey an attack order issued by Gonen which Sharon considered inadvisable. The report said that Sharon's judgement was confirmed by the adverse results when he finally carried the order out. Sharon, who founded the Likud party, served in the Knesset until last month when he announced that he was quitting to resume his army career.

Gonen Claimed Falsifications

Following publication of the Agranat Committee's earlier interim report, Gonen claimed that its criticism of him had been based on material contained in allegedly falsified log books for Oct. 8 and claimed that vital tape recordings of battlefield communications were missing. The Agranat panel recommended initially that Gonen be

suspended and denied further commissions in the army. In its final report, however, the committee recommended that he be allowed to continue his military service though not above the divisional command level or a parallel level at general headquarters.

Full Impact On Public Awaited

The report found that while Israel's counter-attack on Oct. 8 was a failure, it nevertheless shaped future developments on the Sinai battlefield. Although the Egyptians were not thrown back across the Suez Canal, they were contained within their initial bridgehead, their weak spots were discovered, and Israeli forces eventually were able to break through their lines and establish a large salient on the west bank of the canal which they held until last year's disengagement accord, the report noted.

According to the final report, Israel's northern command functioned much better than the southern command when the war broke out. The northern Command was aware of impending trouble, warned GHQ of its likelihood and strengthened its forces so that the Syrian attack did not achieve the same degree of surprise as the attack by Egypt, the report said.

Military and political commentators discussed the released portions of the final report for hours on radio and television tonight but reached no consensus. The reaction of the public is yet to be felt. Likud leader Menachem Begin suggested that for the moment, Israelis would endorse that sentence of the report which pays homage to Israeli soldiers who shed their blood in battle.

SADAT ENVELOPED IN JEWISH ATMOSPHERE

By Edwin Eytan

PARIS, Jan. 30 (JTA)--Egyptian President Anwar Sadat and the delegation accompanying him were inadvertently enveloped in a Jewish and Israeli "atmosphere" during their three-day official state visit this week. The delegation stayed in the city's "Israeli hotel," the Bristol, where two Israeli Premiers have stayed during their official visits to Paris; Mrs. Jehne Sadat was accompanied on one of her tours by the French government's only Jewish Minister, Mrs. Simone Vell who is the Minister of Health; and several of the leading officials of some of the French arms manufacturing firms with whom Sadat met are also Jewish.

The Bristol Hotel, small and relatively unknown, situated practically across the street from the Elysee Palace and the Hotel Marigny where Sadat stayed, in the past quartered both David Ben Gurion and Levi Eshkol when they came to meet President Charles de Gaulle. The hotel management told the Jewish Telegraphic Agency that the Arab suite, which included three Cabinet Ministers, was the same as that occupied by the Israelis. "It is the best for security purposes," a hotel spokesman said.

During Sadat's talks with the presidents of "Dassault-Breguet," "Matra," and the "SNECMA Works," which produces jet engines for war planes, French television reported that the Dassault representative who met with Sadat was none other than the company's owner, Marcel Bloch-Dassault, a French Jew who was a friend of Israel when the Israeli Air Force was one of his main customers for Mirages before the Six-Day War. Other sources told the JTA that Sadat met with Benno Valiere, the company's managing director, also a Jew, who visited Israel frequently in the past.

