

25 PERSONS INJURED IN TERRORIST BOMBING OF WEST BERLIN RESTAURANT

BONN, Jan. 17 (JTA) — West Berlin police arrested six Palestinians yesterday suspected of involvement in the bombing of an Israeli restaurant there last Friday night in which 25 persons were injured, including a 14-month-old child reported in critical condition. The suspects were later released.

The restaurant, Mifgash Israel, is located in the center of the city. A group calling itself the Peoples League of Free Palestine claimed responsibility for the outrage in an anonymous telephone call to the West German news agency's Berlin office.

Later, another group, called the Arab May 15 Organization for the Liberation of Palestine, announced in Beirut that it had carried out the attack. The same group had claimed responsibility for bombing the El Al office in Istanbul January 9.

Bombing Confirmed Recent Warnings

But according to West Berlin police, the suspects detained were believed to be members of the Popular Front for the Liberation of Palestine. However, chief investigator Manfred Kittlau said last night there was no concrete evidence implicating them and that the police were considering all possibilities.

Heinz Galinski, chairman of the West Berlin Jewish community, said the bombing confirmed recent warnings that violence-prone extremist groups of both left and right were increasingly active in West Germany.

The restaurant, which specialized in Israeli and Middle East cuisine, is owned by Dany Mezger and Naffali Schoenberg, both Israeli citizens. It was severely damaged by the bomb.

German Airline Office Bombed

(A bomb blast caused extensive damage to the Tel Aviv office of Lufthansa, the West German airlines, last night and shattered windows in a wide area around Hayarkon Street where the office is located. There were no casualties. Police investigating the incident said it may have been in retaliation for the West Berlin bombing.)

MITTERRAND GOING TO ISRAEL IN MARCH

By Edwin Eytan

PARIS, Jan. 17 (JTA) — President Francois Mitterrand will make his oft-postponed trip to Israel in early March, the Foreign Ministry said last Friday. The visit will be the first by a French head of state. In recent years, Israel has accused France of pro-Arab bias.

Mitterrand pledged to go to Israel shortly after his election last May, but twice postponed the trip. The first postponement came after Israel bombed Iraq's nuclear reactor which was being built by France. The second postponement followed Israel's decision last month to annex the Golan Heights.

The Foreign Ministry announcement Friday said that an advance team was leaving soon for Israel to prepare a Presidential visit in March. The March date is significant because speculation in the French and international press has been that Mitterrand would visit Israel only after April 25, when the Sinai is scheduled to be returned to Egypt.

SHARON TO CONFER WITH EGYPTIAN OFFICIALS DURING FOUR-DAY VISIT By Hugh Orgel

TEL AVIV, Jan. 17 (JTA) — Defense Minister Ariel Sharon left for Cairo today for a four-day official visit during which he will confer with Egypt's Defense Minister and possibly with President Hosni Mubarak. Aides said that final arrangements have not been made yet.

Prior to his departure Sharon said the Egyptians would be mistaken if they believed they could gain more by delaying an agreement on autonomy until Israel completes its withdrawal from Sinai next April. But the autonomy negotiations are hanging fire until Secretary of State Alexander Haig returns to the region, probably after his meetings with Soviet Foreign Minister Andrei Gromyko in Geneva late this month.

Haig, who returned to Washington Friday after a 28-hour visit to Israel, told reporters at Ben Gurion Airport that he would assess the positions of both Israel and Egypt, as presented to him by their leaders last week, compare and analyze them, and probably return at the end of the month with ideas and suggestions of his own. But he stressed that this would be "as partners" in the autonomy negotiations.

Haig stressed also that his four-day Middle East trip had been a "fact-finding" mission during which he discussed global, regional and bilateral problems, although his focus was on autonomy and the Israeli-Egyptian peace process. He declined to say which side he thought should make concessions. Rather than concessions by either side, it is more "a question of mutual ingenuity to bridge the gap," Haig said. He acknowledged that the differences were deep but said he was sure they could be overcome.

Issue Of Dismantling Structures

One Israeli-Egyptian difference that Sharon said he would raise in Cairo was the question of allowing Israeli personnel to remain in Sinai after the April withdrawal deadline to complete the dismantling and removal of the structures and equipment. The Defense Minister told reporters he would "propose" this, "but I won't beg for it." He said "if the Egyptians agree to my proposals, well and good. If not, we shall remove everything before we leave."

Egyptian officials said last week that not a single Israeli would be allowed to remain in Sinai after Israel's official departure. But the Jerusalem Post reported last Wednesday that a secret agreement reached between the two countries would allow Israel to remove all structures and facilities from Yamit and other northern Sinai settlements after the final withdrawal date. This, apparently, is necessary because some settlers and militant squatters in the region have succeeded in blocking the dismantling process for the time being.

The government acquiesced to their demands in order to avoid a confrontation that could result in violence. Israel is determined, nevertheless, to remove every structure and facility that can be dismantled and transported from northern Sinai.

One reason is that to leave it behind would facilitate the resettlement of Egyptians closest to Israel's border and Israel does not want a large Egyptian population in that vicinity.

Concerned By Hassan Ali's Statement

On the other hand, Israel is leaving behind structures and equipment in southern Sinai which will be sold to the Egyptians. The Israelis are, nevertheless, concerned by Foreign Minister Kamal Hassan Ali's statement last Friday that Egyptian forces would patrol the islands of Tiran and Sinafir in the Straits of Tiran after the Israelis pull out. The islands, commanding access to the Gulf of Aqaba and Israel's port of Eilat, were ceded to Egypt by Saudi Arabia before Israel captured them in the 1967 Six-Day War.

The Israelis fear the Saudis will now seek their return and insist that the islands be patrolled by the Sinai international peacekeeping force to guarantee against that. Hassan Ali said that the status of the islands and the straits were clearly defined in the Egyptian-Israeli peace treaty of 1979. The treaty states that the Multinational Force and Observers (MFO) would be stationed on the Sinai mainland, the precise locations of which would be determined after consultations with Egypt.

Clarifying Veliotes' Visit

In another development, the State Department, denied on Friday that Nicholas Veliotes, one of Haig's senior aides, was trying to persuade King Hussein of Jordan to join the Egyptian-Israeli peace process. Veliotes, who is Assistant Secretary of State for Near East and South Asian Affairs and a former Ambassador to Jordan, went to Amman after Haig left the Middle East.

State Department deputy spokesman Alan Romberg said Friday that he "is not going (there) to enlist their support" in the autonomy talks. He said Veliotes was using his presence in the Middle East to visit Amman to discuss bilateral issues. He could not say whether Veliotes would visit any other country in the region.

UN COUNCIL TO SET DATE FOR VOTING ON ANTI-ISRAEL RESOLUTIONS

By Yitzhak Rabi

UNITED NATIONS, Jan. 17 (JTA) — The Security Council scheduled this week to set a new date to vote on a resolution imposing sanctions against Israel for annexing the Golan Heights. The Council was to have voted on a Jordanian draft resolution last Friday, but the meeting was abruptly cancelled at Jordan's request because, according to observers, the measure did not have the nine votes needed for adoption by the 15-member Council.

The key factor in the decision to postpone a vote, sources said, was Panama's move last Thursday night to reverse its position of supporting the Jordanian resolution. Without Panama, the Jordanian measure would have received support of only eight Council members — China, Guyana, Jordan, Poland, the Soviet Union, Spain, Togo and Uganda.

Even if the resolution had obtained nine votes, the draft was believed certain to be vetoed by the United States and possibly Britain and France. Without the required minimum of nine affirmative votes the resolution could not be adopted and the negative votes of the big powers would not count as vetoes. This, according to observers, would have provided Israel with an unintended victory.

The Council unanimously demanded last month that Israel rescind its decision to apply its laws and jurisdiction to the Golan Heights, captured from Syria in the 1967 Six-Day War, and threatened "appropriate measures" by January 5 if Israel failed to do so. When Israel

did not rescind its Golan action the Council went into session on January 6 to debate "appropriate measures."

A Syrian resolution calling for mandatory sanctions against Israel — severing economic, military and diplomatic relations — was viewed as too harsh by the U.S. and other Western powers. Efforts were undertaken by Spain, Japan and Ireland to modify this extreme resolution by calling for "voluntary" sanctions. Zaire, separately, offered a resolution which it hoped would be agreeable to both Syria and the U.S. These efforts failed.

ANTI-SEMITISM IN CALIFORNIA

LOS ANGELES, Jan. 17 (JTA) — Anti-Semitic incidents in California, ranging from property vandalism to assaults, increased six-fold last year, David Lehrer, an attorney for the Anti-Defamation League of B'nai B'rith, told a governor's task force here last week. The task force is investigating reports of an upsurge of hostility against Blacks, Orientals and Jews in the state.

Lehrer and Gary Davis, former chief of staff to Gov. Edmund Brown, Jr., agreed that the rise of racism was notable within the middle class. According to Davis, "There is a new respectability for bigotry and intolerance. Many of our leaders seem to accept it and some even encourage it."

In that connection, Davis cited the recent public remark by State Sen. John Schmitz, an ultra-conservative Republican, that opponents of a measure to outlaw abortion in California appeared to him as "a sea of hard Jewish and (arguably) female faces" and were "murderous marauders." Davis characterized this as "verbal vandalism."

Lehrer blamed the rise in anti-Semitic incidents on "paramilitary activity by various extremist groups on the radical right" and on "more subtle organizations" which disseminate information through books and pamphlets that perpetuate racial stereotypes and invite to violence.

MOSHE HARIF, WIFE AND SON KILLED IN A TRAFFIC ACCIDENT

TEL AVIV, Jan. 17 (JTA) — Labor Party Knesset member Moshe (Mussa) Harif, his wife, Moriah, and their son, Hagai, were killed yesterday in western Galilee when their car collided with another at a crossroad. Two people in the other car were injured. Funeral service will be held tomorrow for Harif, who was 48, his wife, who was also 48, and their son, a member of the Air Force, who was 22.

Harif, a member of Kibbutz Tzora near Jerusalem had been a leader of the United Kibbutz Movement and was regarded as one of the rising stars of the Labor Party and the kibbutz movement. Labor Party chairman Shimon Peres said his death was a great loss to the movement, as he would be hard to replace.

COMMITTEE OF INQUIRY ESTABLISHED By David Landau

JERUSALEM, Jan. 17 (JTA) — The Cabinet today approved the terms of reference of a committee set up by the government to investigate the publication of the names of public figures and others who are suspected or accused of alleged wrong-doings before any charges are brought against them.

The committee, headed by former Supreme Court Judge David Beach, is to follow guidelines drafted by Justice Minister Moshe Nissim. It was established as a result of media disclosures last week that Minister-Without-Portfolio Yitzhak Modai

was under police investigation for allegedly accepting kickbacks on oil deals when he was Energy Minister in the previous Likud government. The police reported that they found no evidence incriminating Modai and the allegations were subsequently dismissed by the Attorney General.

But Modai said his name had been besmirched by the media reports and demanded an inquiry aimed at new legislation to establish standards of conduct for the media. The committee will not deal specifically with police conduct of such investigations but will study the problem of "leakers," a hint that sources in the police establishment sometimes slip information to journalists about ongoing inquiries while they are still in the initial stage.

Nature Of The Guidelines

The guidelines approved by the Cabinet require the committee to present its report and recommendations within two months. It is to "study the issue of the publication of names of persons against whom suspicions or allegations are raised" and "the publication of (details regarding) the pursuit of an investigation or inquiry before anyone has been charged in a court of law."

The committee will also consider the problem of Knesset members "who misuse their immunity" to make false charges. In the case of Modai, it was Labor MK Yehuda Hashai who made the disclosure of a police investigation in the form of a parliamentary question to the Prime Minister. The media picked up the story and ran it on television newscasts.

In addition to Bechor, the committee consists of former Attorney General Gideon Hausner and former Knesset member Simcha Friedman, a member of the National Religious Party and a former member of the executive board of the Israel Broadcasting Authority.

ARAB SOURCES TO FINANCE WORLD CONFERENCE CENTER IN VIENNA

By Maniké Brenner and Reinhard Engel

VIENNA, Jan. 17 (JTA) — Arab sources will finance a huge new international conference center the government plans to build here, reviving a project approved 10 years ago but abandoned for lack of funds. The deal, reportedly engineered by Chancellor Bruno Kreisky during his recent visit to the Persian Gulf states, has been strongly opposed by the conservative opposition in Parliament and was decisively rejected by 90 percent of the participants in a referendum on the subject. Only a few voters took part in the referendum.

Details of the financial arrangement are not known. It is assumed that Kuwait will provide a large part or all of the 7.5 billion Schillings (about \$1.5 billion) needed at 4-6 percent interest. Over a period of 20-30 years, the government would buy the center back from the Arabs. The conference center is to supplement the existing office towers of the United Nations International Center on the east bank of the Danube River.

The government's reversal of its position is seen as a means of stimulating lagging branches of the economy through public expenditures. Although Austria's overall economy is not in a bad shape, the construction industry has suffered, raising unemployment to four percent this winter, a high rate for a country where full employment has been the norm.

PROBE BEGUN INTO LARGE-SCALE ARAB INVESTMENTS IN THE U.S.

NEW YORK, Jan. 17 (JTA) — The largest direct Arab investment in the United States has touched off inquiries into the potential danger of large-scale Arab

investments, particularly in the energy sector, to American national interests. It is reported in the new issue of "Petro-Impact," bi-monthly publication of the American Jewish Committee's Institute of Human Relations that reports on "petrodollar" influence in American affairs.

According to the publication, the government-owned Kuwait Petroleum Company (KPC), in acquiring the Santa Fe International Corporation of Alhambra, California, may have also gained control of a Santa Fe subsidiary, the C. F. Braun & Co., a major international engineering and construction company.

Braun, which holds security clearance from the U.S. government, had worked on design and engineering projects for facilities producing plutonium for nuclear weapons.

A recent report by the Congressional Office of Technology Assessment, quoted in Petro-Impact, concludes that "any policy aimed at preventing the sale of nuclear weapons may be difficult to carry out in the event Kuwait acquired C.F. Braun's experience about nuclear reprocessing."

The matter of Kuwaiti control is now being negotiated. A partial listing of other Kuwaiti direct investments in the United States since 1974 totals more than \$132 million in real estate, business, and banks, including Kiaweah Island, South Carolina; Galleria in Houston, Texas; Petra Capital Corporation in New York, and the Patagonia Corporation in Arizona.

JUDGE PROBING RED BRIGADE ACCUSES ISRAEL OF TRYING TO DESTABILIZE ITALY

ROME, Jan. 17 (JTA) — An Italian judge investigating the Red Brigade has accused Israel of trying to destabilize Italy so that the United States would rely on it more for security in the Mediterranean area.

According to an interview published in the daily *Il Messaggero* today, Judge Ferdinando Imposimato claimed that up to about 1978, Italian terrorist groups had been infiltrated by Israel's secret service. "The plan was intended to reduce Italy to a country rocked by civil war so that the U.S. would be forced to depend more on Israel for security in the Mediterranean," he told the newspaper.

Imposimato said he learned this from the confessions of jailed terrorists who had turned informers. He said the Red Brigade received support from Libya, Syria, and the Palestine Liberation Organization. According to *Il Messaggero*, Imposimato is in charge of the investigation into the kidnapping and murder of former Premier Aldo Moro by the Red Brigade in 1978.

ANTONIO CUNHA BUENO DEAD AT 63

RIO DE JANEIRO, Jan. 17 (JTA) — Antonio Cunha Bueno, a Sao Paulo industrialist, and a former member of the House of Representatives in Brasilia, has died at the age of 63. For many years he was the president of the Israel-Brazil Chamber of Commerce and a dedicated friend of Jews and Israel. His son, Henrique, Secretary for Culture in the government of the State of Sao Paulo, is also a staunch friend of Brazilian Jewry.

BACKGROUND REPORT HAIG AND WEINBERGER AS THE ADMINISTRATION'S ODD COUPLE

By David Friedman

WASHINGTON, Jan. 17 (JTA) — While Secretary of State Alexander Haig was on his way to Jerusalem in part to heal the rift between Israel and the United States, Defense Secretary Caspar Weinberger seemed to be working toward the opposite end.

Weinberger charged in a Cable News Network television interview that it was Israel which cancelled the strategic cooperation agreement with the U.S. even though the U.S. had announced it was suspending the agreement in reaction to Israel's extension of its civilian rule to the Golan Heights.

This was followed by a story in the Baltimore Sun last Tuesday that the Defense Secretary would be visiting Saudi Arabia and possibly Oman in February but not Israel in an apparent "snub" to demonstrate Weinberger's anger over Israel's action on the Golan.

Pentagon spokesman Henry Catto immediately stressed that Weinberger had accepted a Saudi invitation and "Israel has never been considered as part of the itinerary for this particular trip." He said the Defense Secretary "does plan to go to Israel this year."

Nachman Shai, the Israel Embassy's spokesman, also denied that Israel felt any snub. He said Weinberger is expected to go to Israel sometime this year.

While this may be true, the original implication that Weinberger was demonstrating his displeasure with Israel by not going to the Jewish State after visiting Saudi Arabia did nothing toward healing the rift between the Reagan Administration and the always sensitive Israelis.

"Good Guy," "Bad Guy"

This situation, with Haig appearing as the "good guy" in relation to Israel and Weinberger as the "bad guy," is nothing new for the Reagan Administration which begins its second year on January 20. Of course, the Administration has been under constant attack for speaking publicly with divergent voices not only on the Middle East, but on most crucial foreign policy issues.

But it is on the Israel-Arab relations that this split has been most public. It was Weinberger who, over Haig's opposition, pushed through the sale of the five AWACS last year. After Israel's destruction of Iraq's nuclear plant and the bombing of terrorists' headquarters in Beirut, it was Weinberger who sought an even harsher U.S. reaction than the temporary suspension of the delivery of F-15 and F-16 fighter planes to Israel.

Weinberger also seemed less than enthusiastic about the strategic cooperation agreement worked out between President Reagan and Israeli Premier Menachem Begin during Begin's visit to Washington last September. In fact, when the memorandum of understanding was signed in November by Weinberger and Israeli Defense Minister Ariel Sharon, the ceremony was not held at the Pentagon, where the two defense officials held hours of talks, but at the National Geographic Society building without any press photographers present.

Although it was the State Department that announced the U.S. was suspending the strategic agreement over Israel's action on the Golan, the Pentagon has been much harsher in its criticism. On December 20, only hours after Begin had strongly attacked the U.S. for its decision, Haig, Weinberger and Edwin Meese, counselor to the President, all appeared on separate Sunday television interview programs. All stressed the continuing U.S. friendship toward Israel.

Haig, as he did after the Iraqi and Beirut bombings, stressed that it was the task of American diplomacy to work with Israel to "repair the damage" and "not ex-

acerbate" the problems between Israel and the U.S.

Weinberger, however, did just that by accusing Israel of violating both the "spirit and the letter" of United Nations Security Council Resolution 242. He said the U.S. has to "bring home to the world" that the "cost" of actions such as the Golan annexation and Israel's bombing of the Iraqi nuclear reactor cannot be condoned.

Explanations For Weinberger's Behavior

Some people looking for explanations for Weinberger's apparent anti-Israel attitude note that he came to the Pentagon from being general counsel and vice president of the Bechtel Group Inc., the San Francisco construction company that does millions of dollars of work in Saudi Arabia.

While there may be some validity to this, others attribute Weinberger's attitude on the Middle East and other foreign policy issues to his previous service in government as finance director for Reagan when he was Governor of California and director of the Office of Management and Budget and then Secretary of Health, Education and Welfare under President Nixon, with no experience in foreign affairs or defense policy. Weinberger has apparently accepted the military establishment's view of the world.

Specifically, he appears to accept the view that the U.S. must depend more on Saudi Arabia, "tilting" toward the Saudis in the hopes they will allow the U.S. to establish permanent bases in the desert kingdom, replacing those lost when the Shah of Iran was deposed.

This is a forelorn hope, as William Quandt, the Mideast expert on the National Security Council during the Carter Administration, points out in a study published recently by the Brookings Institution. "U.S. military planners invariably fantasize about the merits of bases in Saudi Arabia," Quandt wrote. "Politically, the Saudis are likely to continue to refuse, arguing that it could be politically destabilizing and that it would serve as a magnet to draw more Soviet forces in the area."

Attitude Of William Clark

As the Reagan Administration begins its second year, much of the course of its policy toward Israel will depend on the attitude of William Clark, the President's new National Security Advisor. Clark replaces Richard Allen, who was widely regarded within the Jewish community as a strong supporter of Israel.

Clark's position on Israel is largely unknown. Except for some harsh words about Israel after the Beirut bombing, he has not spoken about the Middle East during his term as Deputy Secretary of State. In fact, he came to the State Department without any knowledge about foreign affairs. But since then he has won respect in the Administration and in Congress as a conciliator and organizer. Perhaps more important, unlike Allen, Clark will have direct access to Reagan, and unlike Haig, but like Weinberger, he is a California friend of the President.

TEL AVIV (JTA) — The cost of living index rose by 5.2 percent in December, the Central Bureau of Statistics announced last Friday. The December increase brought the figure for 1981 to 101.5 percent, 30 percent less than the previous year but just narrowly more than the two-figure inflation rate for 1981 promised by Finance Minister Yoram Aridor.