



**BOMB ON ISRAELI BUS WOUNDS 9 PERSONS**  
By David Landau

JERUSALEM, Feb. 1 (JTA) -- A bomb planted on a bus traveling from Haifa to Jerusalem ripped through the vehicle leaving nine persons wounded Sunday, one of them seriously. The blast occurred at 10 a.m. as the bus made its way past Hadera on the coastal road. The wounded were taken to Hadera Hospital. It was the worst attack on an Israeli bus since six persons were wounded last February when a bomb exploded on a commuter bus in the Tel Aviv suburb of Bnei Brak.

The explosive charge was probably placed on the bus before it left the Haifa central bus depot for its two-hour trip to Jerusalem. The driver, who was himself hurt in the explosion, insisted, however, that he had checked the bus before beginning the trip. The bus had arrived in Haifa from Jerusalem where it began its day's schedule.

Eyewitness reports said the charge seemed to have been placed under the driver's seat. He himself was thrown from his seat by the blast but he managed to guide the vehicle to a relatively smooth standstill without crashing into the highway dividers. There were 52 passengers on the bus.

**ISRAEL DENIES ROLE IN OR KNOWLEDGE OF TRANSFER OF FUNDS FROM U.S.-IRAN ARMS DEAL TO SWISS BANK ACCOUNT MAINTAINED FOR NICARAGUAN CONTRAS**  
By David Landau, Gil Sedran and Hugh Orgel

JERUSALEM, Feb. 1 (JTA) -- Israel flatly denied Sunday that it had any role in or knowledge of the transfer of funds from the U.S.-Iran arms deal to a Swiss bank account maintained for the Nicaraguan rebels known as Contras.

The statement was in response to allegations in a Senate committee report that funds for the transaction were placed in an "Israeli account" in Switzerland from which it was transferred to another Swiss bank account controlled by retired U.S. Gen. Richard Secord who handled aid to the Contras at a time when Congress banned such aid.

Premier Yitzhak Shamir and Foreign Minister Shimon Peres received over the weekend copies of the report of the Senate Select Committee on Intelligence which was released in Washington last Thursday.

Shamir's spokesman, Avi Pazner, said in a prepared statement Sunday that the monies from the Iran arms deal were paid "by the Iranian representative directly into the account specified by the Americans and no sum of money transferred by the Iranians remained in Israel's hands or went through Israel or its representatives."

Conflicting Statements

Defense Minister Yitzhak Rabin, in an Army Radio interview Sunday, categorically denied that Israel had sent weapons to the Contras. But the newspaper Maariv quoted senior security sources Sunday as saying that after intense lobbying by Lt. Col. Oliver North, a National Security Council (NSC) aide subsequently dismissed, Israel agreed in October 1986 to send a shipment of several hundred Soviet-made rifles to the Contras.

According to Maariv, the shipment was recalled before it reached its destination because the Iran arms deal had been exposed.

Maariv on Friday published what it said was the number of the account at the Credit Suisse bank in Geneva where the U.S. deposited funds from the Iran arms sales for diversion to the Contras.

Maariv claimed that the account, No. IS 386430, was registered under the name "Lake Resources" and served for transferring money to suppliers of various services, including the Israel Defense Ministry. The account was administered by Secord and North, Maariv reported.

Israel's Role To Be Investigated

The immediate reaction here to the report by the Senate Select Committee was that it was lacking in important details because several key American witnesses had refused to testify.

The Knesset's Foreign Affairs and Security Committee is expected to take up the matter later this week. Committee chairman Abba Eban said over the weekend that the committee would have to investigate all aspects of the Iran arms deal to determine exactly what Israel's role was in the affair.

Israel has maintained from the outset that it acted solely as an intermediary at the specific request of the Reagan Administration to help secure the release of Americans held hostage by pro-Iranian elements in Lebanon.

According to Defense Ministry sources, members of the U.S. National Security Council asked Rabin several times that Israel sell arms to the Contras but Rabin absolutely refused. The Maariv report Sunday quoted senior officials as saying that "Oliver North drove us crazy with requests to supply weapons to the Contras."

A Series Of Requests

The first American request was directed to Rabin when he visited Washington in May 1986 by Col. North, then a member of the NSC. Others were present at the meeting and minutes were taken, Maariv reported. Rabin is reported to have turned down the request a second time when he was in Washington in September 1986. At that time, North made a specific request to transfer captured Soviet weapons to the Contras. Minutes were also taken at that meeting.

Rabin replied that he would not transfer weapons to the Contras but would be willing to consider the transfer to the U.S. of captured Soviet weapons to do with them what they pleased, Maariv reported.

The report went on to say that North claimed the Congressional ban was about to be lifted--which it was in October 1986. He agreed that the transfer to the Contras would be done through him and not directly by Israel.

He noted that Israel was known to possess many Soviet rifles and asked that they be given to him to be sent to the Contras. Rabin asked for payment for the weapons but North pleaded he had no funds.

Sources in Israel stress that North's reply would not have been accepted if Israel knew at the time that North was transferring funds from

the Iranian arms purchases to finance equipment to the Contras. But Israel did not have this knowledge and Rabin and others at the meeting, among them the Prime Minister's adviser on counter-terrorism, Amiram Nir, accepted North's statement. For two weeks North called Nir almost daily to have him urge Rabin to transfer the rifles.

Rabin finally agreed and the rifles were loaded aboard a ship at Eilat. Israel did not accept payment. The ship sailed for a destination determined by North but was recalled to Eilat before reaching its destination, according to the report published in Maariv Sunday.

#### The Swiss Bank Account

The Maariv report on the Swiss bank account Friday said it played a central role in the first and second phases of the Iran arms affair, beginning in 1985. In the first phase, payments were made via Saudi businessman Adnan Khashoggi, Iranian mediator Manucher Ghorbanifar, and Israeli arms dealer Yaacov Nimrodi.

About \$1 million were deposited in the account, apparently for 504 TOW anti-tank missiles transferred from Israel to Iran. The Maariv report said it was unclear why this money was received by the Americans. Senior sources here said this and other aspects of the deal's financing remain "unexplained blank spaces."

The matter resurfaced after Washington and Jerusalem decided at the end of December 1985 to halt the deal. But Israel took the initiative to revive it, at the insistence of Nir. He proposed to the Americans that they attempt to exchange Shiite prisoners held by the Israel-backed South Lebanon Army (SLA) for American hostages.

#### Resumption Of Contacts With Iran

Following up on this proposal, discussions were conducted in Washington by the then National Security Adviser, Adm. John Poindexter, who prepared a memorandum for the resumption of contacts with Iran for President Reagan. Reagan approved it on January 17, 1986. The memorandum concerned the direct supply of American weapons to Iran with Israel serving only as a point of transshipment and as so-called "special envoys."

Nir's trip with American emissaries to Iran in May 1986 was approved in advance by Shamir, Peres and Rabin after consultations with security officials, Maariv said.

The paper said the TOW missile deal totalled about \$6.9 million of which \$6.7 million was transferred to the Defense Ministry which later paid \$3 million to the U.S. and at least \$500,000 to Ghorbanifar. An additional \$600,000 was paid to "moderate" elements in Iran and \$1 million was transferred to the U.S. Swiss bank account.

The report of the Senate Select Committee said that according to testimony and documents it received, Israel had a strong interest in promoting contacts with Iran and reportedly permitted arms transfers to that country as a means of furthering its interests.

A series of intelligence studies in 1984 and 1985 cited in the committee's report indicated Israel shipped non-U.S. arms to Iran as early as 1982 and Israeli middlemen were used to arrange private deals. According to the report, Poindexter's testimony confirmed the intelligence studies.

The report cited Secretary of State George Shultz's objections. He is quoted as having warned the then National Security Adviser, Robert Mc-

Farlane, that Israel's agenda regarding Iran "is not the same as ours" and that an intelligence relationship with Israel on Iran "could seriously skew our own perception and analysis of the Iranian scene."

#### **RABIN: ISRAEL WON'T RANSOM FOUR HOSTAGES KIDNAPPED BY SHIITES** By David Landau and Gil Sedan

JERUSALEM, Feb. 1 (JTA) -- Defense Minister Yitzhak Rabin declared Sunday that Israel would have no part in ransoming four hostages--three Americans and an Indian national -- kidnapped by Shiite extremists in Lebanon.

The kidnapers said Sunday the four would be killed unless Israel releases 400 Palestinian prisoners within one week and places them on a Red Cross plane for Damascus.

Rabin said Israel had received no formal demand from any group and that he had learned of the ultimatum from the media. He identified the kidnapers as the Hezbollah, a pro-Iranian Shiite terrorist group in Lebanon. Foreign media reports said the demand was made by a group calling itself the "Islamic Jihad (holy war) for the Liberation of Palestine."

"Israel will not be the international bank of prisoners to which any terror group can apply for a price to be paid for hostages in their possession," Rabin said on an Army Radio interview.

The four hostages, all professors at Beirut University College in west Beirut, are Americans Jesse Turner, Robert Polhill and Alan Steen; and Mithileshwar Singh, a national of India who holds a U.S. resident's permit. They were seized by gunmen on the west Beirut campus a week ago. They are among 26 foreigners missing and believed to have been kidnapped in Lebanon.

Israeli sources said there has been no request from the U.S. for Israel to help obtain the release of the American hostages, nor was any expected. One Israeli official who was not identified noted, "We have a position on principle that there should be no dealing with terrorists."

#### **WARNING SOUNDED THAT MOVES TO MAKE ISRAEL SCAPEGOAT IN IRAN ARMS DEAL CAN LEAD TO WAVE OF ANTI-SEMITISM**

NEW YORK, Feb. 1 (JTA) -- The chairman of Governor Mario Cuomo's Task Force on Bias-Related Violence warned here Saturday that "moves within the Reagan Administration to make Israel the scapegoat in the Iran arms scandal could result in a wave of anti-Semitism in the United States."

Commissioner Douglas White, head of the New York State Division on Human Rights, spoke at a Conference on Anti-Semitism sponsored by the National Public Affairs Committee of the Workmen's Circle. He said that "by focussing attention on the alleged role played by Israel and Israelis and making Israel the scapegoat, the Reagan Administration has created an environment which divides rather than unites us."

The Commissioner, who is Black, also warned that "racism and anti-Semitism is deeply rooted in the psyche of this nation, and we are having trouble finding the tools to destroy the disease."

He said he was concerned "about racism among some young Jews and anti-Semitism among some young Blacks." He observed: "Presumably enlightened parents have permitted their children to slide into the mire of bigotry."

Other speakers at the conference, Irwin Suall, director of the fact-finding department of the Anti-Defamation League of B'nai B'rith, and Harold Applebaum, special assistant to the executive vice president of the American Jewish Committee, revealed that half of the 209 cases reported to the Human Rights Division in November 1986 were "anti-Jewish in character and ranged from vandalism to physical violence."

They also reported that according to statistics, Blacks rank first and Jews second as victims of bias-related violence in New York State, outside New York City, Nassau and Suffolk counties.

#### SHAMIR: LIKUD NOT BOUND BY PERES' ADVOCACY OF MIDEAST PEACE CONFERENCE By David Landau

JERUSALEM, Feb. 1 (JTA) -- Prime Minister Yitzhak Shamir made it clear at Sunday's Cabinet meeting that Foreign Minister Shimon Peres' advocacy of an international conference on Mideast peace does not bind the Likud side of the national unity government. Peres, for his part, made it equally clear that he would not cease this advocacy. And both men indicated that they are not seeking a head-on collision over this issue at this time.

The Cabinet discussion climaxed several days of Labor-Likud tension over the international conference idea, strongly championed by Peres during his recent European trip, and strongly rejected by Shamir and other Likud leaders in public statements implicitly critical of Peres.

Peres, reporting to the Ministers on his trip, maintained that Israel, Egypt and Jordan agree on key points regarding an international conference: that it will not have the power to impose a solution, that it does not replace direct negotiations, and that it will convene only after all parties agree on participants and procedure.

"I am not sure that with such an international forum we can reach peace, but I am pretty sure that without it the peace process will come to an end," Peres said.

Shamir said Israel would be isolated at such a forum. He questioned whether the Arab side in fact agrees to all the conditions indicated by Peres. He said the Foreign Minister had the right to put out feelers but he had no right to say that without an international forum there could be no peace.

In recent public statements, Shamir has pointed up the U.S. Administration's unenthusiastic attitude towards an international peace conference. But Peres maintained at the Cabinet discussion that his views were coordinated with Washington.

Rabin said there was only a 20 percent chance of an international conference getting off the ground -- but Israel ought to support it as the politic stand to take.

#### SHULTZ REITERATES U.S. POSITION ON USSR IN MIDEAST PEACE CONFERENCE By David Friedman

WASHINGTON, Feb. 1 (JTA) -- Secretary of State George Shultz reiterated on Thursday U.S. opposition to the participation of the Soviet Union in Middle East peace talks as long as it does not have diplomatic relations with Israel.

Shultz was responding to a question from an Israeli reporter in an interview on the U.S.

Information Agency's "Worldnet" program. He was interviewed here by reporters from Bonn, London, Paris, Tel Aviv and Tokyo.

"Furthermore, I know people in Israel feel strongly and so do people in the United States, and I personally do, that the Soviet record in the treatment of people pursuing their religion inside the Soviet Union is bad and we see now a record on Jewish emigration from the Soviet Union is at an extremely low level," Shultz added.

The Secretary stressed that "attention should be given to those matters as evidence of good intent on the part of the Soviet Union before they take part in something."

Jordan has insisted that it could conduct negotiations with Israel only as part of an international conference or forum in which the five permanent members of the United Nations Security Council participate. But two of them, the Soviet Union and the People's Republic of China, do not have diplomatic relations with Israel.

#### Basis For Eligibility

"To truly be eligible to take part, countries involved should have diplomatic relations with both countries, with both Jordan and Israel, or to the extent that some direct negotiations with Syria might at some point occur, both Syria and Israel," Shultz stressed.

But the Secretary reiterated that the basic U.S. position is that the Mideast conflict should be resolved "through direct negotiations between the parties involved," as Israel and Egypt did.

"That basic peace treaty has remained through all of the ups and downs of the situation," Shultz said. "It is there. It is a rock."

Shultz said the next step is direct negotiations between Israel and Jordan which would include "appropriate Palestinians. There have to be Palestinian representatives if you are going to negotiate about something that affects Palestinians so much."

#### Arms Sales Proposed For Arab Countries

In his "Worldnet" interview, Shultz indicated that the U.S. would propose arms sales for Arab countries, although he did not say which ones. "I think that as you look at the situation in the Middle East and particularly in the (Persian) Gulf, at least I take comfort from the fact that we have been able to help our friends, such as Saudi Arabia, to provide themselves with better equipment and learning how to use that equipment in their self-defense," he said.

It was reported later that the Administration had notified Congress last week that it plans to sell Egypt 40 F-16C and F-16D planes at a cost of \$1.3 billion and 12 F-16 fighters to Bahrain for \$400 million. This is the first time the highly-sophisticated F-16 has been sold to the Persian Gulf emirate.

Meanwhile, the State Department is assessing the results of the recent trip to the Mideast by Richard Murphy, Assistant Secretary of State for Near Eastern and South Asian Affairs. In visits to Jordan and Egypt, Murphy found continued insistence on an international conference.

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The January 30 Bulletin was inadvertently misnumbered. It should have been No. 20, not 19.

## JEWISH WOMEN IN MOSCOW ORGANIZE TO FIGHT FOR THE RELEASE OF POCs

LONDON, Feb. 1 (JTA) -- For Jews in the West to fight for the release of Prisoners of Conscience and the right of Soviet Jews to emigrate is natural. For a group of Jewish women in Moscow to take a lead in doing this is remarkable.

Such a group exists -- "Jewish Women Against Refusal." They are refuseniks and the wives of refuseniks, many of them trying for more than a decade to obtain exit visas, reports Martin Gilbert, a prominent British historian who is the biographer of Winston Churchill.

Their husbands are among the leaders in the struggle for emigration rights, and, as a result, they and their families have suffered isolation and hardships. But two years ago they began to take action, in the Jewish tradition of self-help, which in Russia dates back to the time of the Czarist pogroms.

Twenty-three refusenik wives in Moscow and Leningrad sent a letter to Soviet leader Mikhail Gorbachev shortly after he took office on behalf of Anatoly Shcharansky, then serving a 10-year sentence in Soviet prisons and labor camps. When Shcharansky was finally released in February 1986, they took up the cudgels on behalf of Dr. Iosif Begun, who has completed more than two-thirds of a 12-year prison sentence. His wife, Inna, has not been allowed to visit him for over a year.

"Jewish Woman Against Refusal" has written to the International Red Cross in Geneva asking that food and clothing be sent to the prisoners and that the world be kept informed of the state of their health and "that they are being humanely treated," Gilbert reported.

### 'We Have Sat Here Enough'

One of the signatories, Elena Dubianskaya, has been waiting nearly 10 years for an exit permit. Another is Ida Taratuta of Leningrad who, with her husband, Aba, and son, Misha, have been regularly refused exit visas since 1974.

Gilbert said that when asked why the women have organized now, one of them, Oksana Kholmiansky, replied, "We have sat here enough." Kholmiansky, her husband, Michael, their son, Maxim, and her brother-in-law, Alexander, are 10-year refuseniks.

Alexander, an "unofficial" Hebrew teacher, recently completed an 18-month sentence at a labor camp.

Two years ago, the personal intervention of Prime Minister Margaret Thatcher helped two refusenik wives, Evgenia Utevskaaya and Polina Gorodetsky, to emigrate. Both are living with their families in Jerusalem.

Thatcher will visit Moscow this spring. It is hoped that she will intervene again, successfully, for these refusenik wives, Gilbert said.

## WEST EUROPEAN JEWISH LEADERS TO MEET WITH HIGH-RANKING CATHOLIC DELEGATION ON CATHOLIC CONVENT AT AUSCHWITZ

By Edwin Eytan

PARIS, Feb. 1 (JTA) -- West European Jewish leaders are due to meet this month with a high-ranking Catholic delegation to try to find a compromise solution to the future of the Car-

melite convent erected on the site of the Auschwitz death camp. The meeting, which will be held in Geneva, is to be attended by four Cardinals: Cardinal Franciszek Macharski, who heads the Crocow Diocese; Cardinal Jean-Marie Lustiger, Archbishop of Paris; the Archbishop of Belgium; and the Cardinal of Lyon who nominally heads the French Catholic Church. It will be the second such meeting since last summer.

Jewish communities in Western Europe, and particularly in Belgium and France, are protesting against the very presence of the convent on the site where more than three million Jews were murdered. The Catholic Church, on the other hand, claims that the presence of the convent and the prayers of the dozen Catholic nuns who live there should be seen as an act of penitence for World War II crimes.

A three-man French Jewish delegation left Paris for Poland at the invitation of Macharski, whose See covers the Auschwitz camp site. Macharski also attended the first Geneva conference on this subject and two weeks ago visited Yad Vashem in Jerusalem.

The delegation consists of French Chief Rabbi Rene Samuel Sirat; Prof. Adi Steg, president of the Alliance Israelite Universelle; and B'nai B'rith representative Sam Hoffenberg.

Stefan Grayek, the president of the World Federation of Jewish Resistance Fighters and Deportees, Sunday condemned the visit and the forthcoming Geneva meeting. Grayek, who returned last week from Warsaw, told the Jewish Telegraphic Agency "There should be no talks with the Catholic Church to seek a compromise solution on this question. The only solution is for the convent to close down and for the Church to respect Auschwitz as the site where three-quarters of the victims were Jewish and where the Nazis murdered over three million Jews."

Grayek said that any talks with Catholic representatives only tend to encourage the Vatican to believe that a solution can be found which would ensure the continued presence of the convent at the Auschwitz camp site. Grayek said that a Catholic chapel has recently been opened at the site of the former Sobibor camp where only Jews were put to death.

## JOHANNESBURG MAYOR VISITS ISRAEL

TEL AVIV, Feb. 1 (JTA) -- Mayor Harold Rudolph of Johannesburg arrived in Israel last Thursday on what the Tourism Ministry hoped would be a secret visit. But his visit became a public affair when the municipal council of Rishon LeZion issued a press release about his visit to that city in which a number of new immigrants from South Africa have settled. Rudolph, who is Jewish, is active in Jewish Federation activities in his city.

According to Maariv, which first published the story of Rudolph's visit, the Tourism Ministry tried to persuade newspapers not to publish news of the South African's visit in view of the tense situation surrounding relations between Israel and South Africa over apartheid and in view of the U.S. threats to restrict aid to countries not joining in the policy of sanctions adopted by the U.S. and Western European countries. Israel is the recipient of \$1.8 billion a year in U.S. military aid and cannot afford either to alienate Congress or embarrass the Administration.