

WALDHEIM SAYS HE WON'T QUIT, BUT CHANCELLOR MAY STEP DOWN By Reinhard Engel

VIENNA, Feb. 15 (JTA) -- President Kurt Waldheim, dismissing growing demands that he resign and a brewing crisis that may force the dissolution of Austria's Socialist-Conservative coalition government, declared in a nationally broadcast television address Monday night that he has no intention of stepping down.

"A head of state must not give in to slander, hateful demonstrations and generalized judgments," Waldheim said. Fairness and justice for him and respect for the highest office of the state must not be violated, he said.

He was sharply critical of the report submitted Feb. 8 by an international panel of historians which, after months examining Waldheim's wartime activities, found no direct proof that the Austrian president and two-term United Nations secretary general had committed war crimes.

But it criticized him sharply for failing to intervene or protest against the mass deportations and atrocities that he as an intelligence officer knew were taking place.

The panel also faulted Waldheim for lying to conceal his activities as a staff officer in a German army unit stationed in the Balkans during World War II.

But the president charged that parts of the commission's report did not correspond to the facts and were based on presumptions and hypotheses. "Thus the conclusions drawn cannot be sustained," Waldheim declared.

Vranitzky May Resign

If Waldheim refuses to quit, Chancellor Franz Vranitzky, leader of the Socialist Party, indicated that he may very well resign himself, because the burden of defending Waldheim in order to keep the governing coalition intact was consuming too much of his time.

Appearing on a televised news interview program, Vranitzky said that about 60 percent of his time in Austria and abroad is taken up dealing with the Waldheim crisis or explaining the issues. He said his government, a partnership of the Socialists with the conservative People's Party that sponsored Waldheim's election in 1986, has much more urgent issues to confront.

"If the political conditions of (my) work are so that I cannot fulfill my tasks, I have to apply considerations of my own," Vranitzky said.

While he criticized Waldheim for stretching the truth and failing to speak out more clearly on charges that are detrimental to Austria, no less than to himself, Vranitzky stopped short of asking the president to resign.

"What would be the effect of such a call?" the chancellor asked. "Parliament would be dissolved, and while elections for a new government would be necessary, Waldheim would stay in office," the Vranitzky said.

He observed that the Second Austrian Republic was founded as the antithesis to the Nazi regime and everyone today, especially the president, is obliged to keep up that spirit. Vranitzky added that the president and his aides should keep in mind that the attacks on Waldheim from

abroad are by no means a Jewish conspiracy.

Waldheim disassociated himself from remarks by former Foreign Minister Karl Gruber that the findings of the historians' panel were colored because Jews were among its members.

"I cannot identify with that statement. It is unacceptable," Waldheim told the newspaper *Kurier* on Sunday. But he added: "Still, Gruber was a resistance fighter and I don't think he wanted to express evil intent." The president observed that a large majority of the Austrian public wants him to remain in office.

However, he was confronted Friday by a group of about 500 intellectuals, journalists and artists who assembled outside the Hofburg Palace, the presidential residence, for a moment of silent protest. They presented Waldheim with a petition saying, "For the sake of the future of our country, we ask you: Think about Austria and resign."

On Monday, the Socialist faction of the regional parliament of Vorarlberg, Austria's westernmost province, submitted a petition to the state parliament calling on the president to resign.

The Green Party faction leader in the national parliament in Vienna, Freda Meissner-Blau, reiterated her party's demand for resignation. This also was the opinion of Rudolf Kurz, the Swiss military historian who headed the commission that examined Waldheim's record, according to an interview published in a Swiss magazine Monday.

'My Accusers Call Me A Murderer'

But Waldheim is standing tough. In his television address Monday night, he declared, "My accusers called me a murderer, a war criminal and a liar. Without mercy I was questioned about events that happened more than 40 years ago." He said he tried as best he could to reconstruct those distant events, but "much, too much remained open."

Waldheim admitted it might have been a mistake to have concealed his war duties until confronted with irrefutable facts. But he insisted that was not a strategy of concealment.

Recalling that the Nazi regime had institutionalized the destruction of European Jews, he said, "It must be our holy obligation to do everything to see that the crimes of that time will not be repeated."

But he asked his audience to judge not the young lieutenant of 40 years ago, but the man "who for decades worked for justice, tolerance and peace."

In what is now a footnote to the Waldheim affair, the West German news weekly *Der Spiegel* admitted that a document that linked Waldheim directly to the mass deportation of Yugoslavian civilians has turned out to be a fake.

The magazine produced a photocopy of the document several days before the commission of historians rendered its report. The commission sent one of its members, Manfred Messerschmidt of West Germany, to find the original. But Messerschmidt, who searched the archives in Zagreb and Belgrade, reported it did not exist.

Because of the heavy volume of news over the weekend, today's JTA Daily News Bulletin has been expanded to six pages.

**EXPLOSION BLASTS PLO SHIP
SET TO SAIL FOR ISRAEL**

By Jean Cohen

ATHENS, Feb. 15 (JTA) -- A ship intended to carry several hundred Palestinian deportees and their sympathizers on a demonstrative voyage to Israel was sabotaged by an underwater explosion at a Cypriot port, the Palestine Liberation Organization charged here Monday.

The PLO blamed Israel's secret service, the Mossad, for the explosion and said that the ship could not sail until repairs were made.

Israeli authorities declined to comment on the explosion.

The announcement came as journalists and others supposed to make the trip were boarding buses for Athens airport to catch a commercial flight to Cyprus where, according to the PLO, they would embark at the port of Larnaca.

Cypriot authorities confirmed that the vessel, identified as the 6,000-ton car ferry Sol Thryne, sustained damage from an underwater explosion that ripped through its main fuel tank early Monday morning while in port at Limassol, not Larnaca. The vessel was reported to be listing.

Sources in Limassol said the ship had been arrested for debt and sold at auction to pay off its crew, identified as mostly Egyptians. It was reportedly sold Saturday for \$600,000 to "unknown buyers," believed to be active for the PLO.

The latest developments added a bizarre twist to what had become an extended media event, orchestrated by the PLO here with overtones both mysterious and comical.

Propaganda Attempt

The PLO first announced the "voyage of the Return," an obvious attempt at an international propaganda coup at Israel's expense, on Jan. 29. The group's local representative, Fouad Bittar, together with Bassam Abu Sharif, PLO chief Yasir Arafat's media spokesman, have attempted since then to retain the interest of an increasingly restive and skeptical press corps.

The PLO representatives claimed the vessel would depart from Piraeus, the port of Athens, and call at Larnaca to pick up more passengers and allow journalists to file preliminary stories and send pictures. But the sailing was repeatedly postponed. The PLO refused to identify the ship by name or say what flag it would fly.

Local and foreign journalists and television camera crews were regularly summoned to news conferences at the posh Intercontinental Hotel and invited to receptions in honor of the deportees.

Instead of details, they were treated to anti-Israel diatribes by Palestinians and their sympathizers, including several Israelis of the extreme left-wing. The Palestinians explained their reticence on grounds that Israel had threatened the lives of the ship's captain and crew.

Israel had, in fact, warned that it would act within its rights under international law to bar the ship from Israeli territorial waters.

At a news briefing Sunday, journalists were finally given the name of the ship, and told it was awaiting its passengers at Larnaca.

On Monday however, Sharif summoned another news conference where he announced that the Sol Thryne had suffered damage by an explosion planted in the engine room.

He said a 26-inch hole had been torn in the

hull at the waterline.

The "voyage of Return" will still take place, Sharif insisted, but he could not say how long repairs would take. He held the Cypriot authorities responsible for the safety of the vessel. Bittar said no PLO people were guarding it "since this was a peace ship and was not armed."

He accused Israel of "breaking the law everywhere."

According to reports from Israel on Monday afternoon, the PLO announced it would seek another ship to replace the Sol Thryne. Arafat's deputy said plans for the trip have not been abandoned.

A report from Nicosia, the Cypriot capital, said three PLO men killed Sunday in a car-bombing in Limassol had been trying to purchase a ship for the PLO.

Meanwhile, most foreign journalists who had planned to make the voyage have reportedly left Athens.

(Tel Aviv correspondent Hugh Orgel contributed to this story.)

**U.N. HUMAN RIGHTS GROUP ADOPTS
TWO ANTI-ISRAEL RESOLUTIONS**

By Tamar Levy

GENEVA, Feb. 15 (JTA) -- Two anti-Israel resolutions were adopted by the United Nations Human Rights Commission here Monday. The commission is in the midst of its six-week annual conference.

One resolution, strongly condemning Israel's "iron fist" policy against Palestinian demonstrators in the West Bank and Gaza Strip, was approved by a vote of 31-8, with four abstentions. Negative votes were cast by the United States, Britain, France, West Germany, Italy, Norway, Belgium and Portugal.

Another resolution, condemning Israel's annexation of the Golan Heights exactly six years ago, was opposed only by the United States. There were 11 abstentions.

Last week, the commission heard testimony on the situation of Ethiopian Jews who wish to immigrate to Israel. On Thursday, David Littman, speaking for the World Union of Progressive Judaism, appealed for a "compassionate solution" that would enable an estimated 10,000 to 20,000 Ethiopian Jews to be reunited with family members who immigrated to Israel.

Kongit Sinegioris, an Ethiopian delegate to the human rights conference, responded Friday by saying that the government of Ethiopia is determined to repatriate thousands of Jews it claims were kidnapped from their African homeland by Israel during the Operation Moses airlifts.

DUTCH LEADER CANCELS VISIT

AMSTERDAM, Feb. 15 (JTA) -- Dutch Minister of Defense Willem Frederik van Eekelen has canceled his visit to Israel, apparently in protest of Israel's handling of Palestinian unrest in the Gaza Strip and West Bank.

He was to have met in the near future with his Israeli counterpart, Yitzhak Rabin.

Meanwhile, Premier Ruud Lubbers has not decided whether to call off his visit to Israel, scheduled for May, according to Foreign Minister Hans van den Broek. In Rotterdam on Saturday, about 1,500 demonstrators organized by the Committee of Moroccan Workers in the Netherlands demanded that Lubbers cancel the visit.

IDF ARRESTS TWO SOLDIERS IN ALLEGED BURIAL OF ARAB YOUTHS

By Hugh Orgel

TEL AVIV, Feb. 15 (JTA) -- The Israel Defense Force announced Sunday the arrests of two soldiers charged with burying alive four Palestinian youths near Nablus on Feb. 5 and said "additional arrests were expected."

The youths were rescued by Palestinian villagers.

According to the announcement, "the investigation has been given the highest priority."

Gen. Amram Mitzna, commander of the central sector, which covers the West Bank, told Israel Radio Monday that he was shocked by the reported incident.

"Never in my wildest dreams could I have imagined such a thing," Mitzna said. He said he understood that a military government sergeant and two or three other soldiers will be put on trial.

None of the soldiers has been identified, but a Jewish settler from the Gush Emunim settlement of Eilon Moreh near Nablus was named as an accomplice. The settler, Nissim Haba, has denied the allegation.

According to unofficial accounts, the incident occurred when several soldiers remained in Salem village after IDF troops quelled Palestinian rioting there. Villagers claim the troops called in a bulldozer to erect an earth rampart around the village, which had been placed under curfew.

Soldiers accompanied by Haba reportedly entered homes in the village and ordered youths to clear away burning tires and rock barricades. The youths reportedly threw rocks at the bulldozer and its driver.

Villagers said the youths were beaten by the soldiers and Haba.

An IDF officer referred to as "Charlie" then ordered the youths to lie on the ground, where soldiers stomped on their legs and heads and clubbed them. Charlie reportedly ordered the bulldozer to run them over, but the driver refused.

Finally, he ordered the bulldozer to dump earth on the youths. They were covered by about three feet of earth while Haba shouted encouragement, accounts of the incident said.

The youths, who lost consciousness, were dug up by villagers after the troops left and taken to a hospital.

Haba, speaking on Israel Radio, denied he took part in the act, but seemed to corroborate that it occurred, claiming he was about 300 yards away from it. He said he was named by the villagers because he was known to them.

Haba's 8-year-old son was found beaten to death last year near Eilon Moreh. He is believed to have been the victim of terrorists. No arrests have been made in the unsolved case.

GOLAN DRUZE DEMONSTRATE; 37 HURT

By Hugh Orgel

TEL AVIV, Feb. 15 (JTA) -- The Druze community on the Golan Heights, quiet during more than two months of rioting by West Bank and Gaza Strip Palestinians, erupted in violent demonstrations on Sunday.

Twenty-five residents were detained during the day-long rioting by hundreds of Druze marking the sixth anniversary of Israel's annexation of the region.

Four police officers were injured, including a

border officer hit on the head by a rock and reported suffering from concussion in a Safed hospital Sunday night.

Thirty-three Druze villagers were injured by rubber bullets or teargas cylinders, while scores of others were overcome by the acrid fumes that hung over the village for most of the day.

The Golan Heights were reported quiet Monday.

On Sunday, the demonstrators waved Syrian flags and demanded that they and their region be returned to Syria, from which it was taken in the Six-Day War of 1967.

They were cheered and encouraged by Syrians and Syrian Druze massed on the other side of the nearby border fence, at a spot known as "Shouting Hill," where kinsmen and friends gather to shout greetings and exchange news.

Most of the rioting was in and around Majdal Shams, the main town of the Golan Heights, where some 600 of the 1,000 policemen pressed into service were concentrated.

A police helicopter dropped teargas cylinders on the rioters, who threw rocks from rooftops and took refuge in narrow alleys where it was difficult for the border police to follow.

In other news of unrest, the Israel Defense Force scaled off the village of Abu Dis, east of Jerusalem, Monday morning and searched for residents suspected of incitement. Several youths were arrested.

There also were a number of incidents of stone-throwing reported in the Gaza Strip today.

SHULTZ TO VISIT MIDEAST TO ADVANCE PEACE PROCESS

By Howard Rosenberg

WASHINGTON, Feb. 15 (JTA) -- Secretary of State George Shultz will leave for the Middle East on or about Feb. 24 "for the purpose of advancing the Middle East peace process," the State Department announced Friday.

The details of Shultz's trip were not released, but a State Department source said The Washington Post's report Friday on the planned visit was "reasonable." The newspaper reported that Shultz will visit Egypt, Jordan and Israel from Feb. 25 to 29.

Shultz intends to lobby Arab governments and Israel to support the recent U.S. peace proposal for Israel to accelerate from five years to a few months the Camp David timetable for allowing Palestinian autonomy in the administered territories.

An international peace conference that would lead to direct Arab-Israeli talks would soon follow, according to the U.S. proposal.

The initiative was launched the weekend following Egyptian President Hosni Mubarak's trip here Jan. 26 to 29 and has been discussed by numerous traveling diplomats.

Concurrently in late January, former diplomat Philip Habib came out of retirement to visit Jordan and meet Mubarak's entourage in Paris.

This past week, Richard Murphy, assistant secretary of state for Near Eastern and South Asian affairs, visited Saudi Arabia, Syria and Israel on a mission designed to involve the two Arab nations, which were not covered by the Habib mission. Murphy returned to Washington on Thursday.

Shultz's flurry of trips abroad will begin in Europe this week. He will then stop in Moscow Feb. 21 to 23 to meet with Soviet Foreign Minis-

ter Eduard Shevardnadze. Those trips are thought to be an attempt to garner additional support for achieving a Middle East peace settlement.

It is not clear whether Shultz will first return to the United States from Moscow or head directly to Cairo to see Mubarak.

From Egypt, Shultz will meet Jordan's King Hussein in Amman and complete his Mideast swing with talks in Israel with Premier Yitzhak Shamir and Foreign Minister Shimon Peres on Feb. 28 and 29.

Shultz will then accompany President Reagan to the NATO summit in Brussels March 2 and 3.

EUROPEAN LEADERS REPORTEDLY HADN'T TIME TO DEPLORE ISRAEL

By Yossi Lempkowitz

BRUSSELS, Feb. 15 (JTA) -- The leaders of the 12 European Community member states would have affirmed the Middle East policy statement issued by their foreign ministers in Bonn last week had they not been preoccupied by other matters, EC sources said Monday.

As it was, the assembled chiefs of state and heads of government had no time to discuss international affairs before their two-day emergency meeting ended here early Saturday, the sources said.

The ministers in Bonn, addressed by King Hussein of Jordan, released a statement Friday reiterating their strong support for an international peace conference on the Middle East to be held under the auspices of the United Nations.

They declared such a forum to be the most suitable framework to resolve the Arab-Israel conflict and urged all parties to work to convene a conference as soon as possible.

However, the ministers stopped short of endorsing a new U.S. Mideast initiative that calls for an international "opening" or "event" next December.

West German Foreign Minister Hans-Dietrich Genscher will visit Washington shortly and is expected to discuss the Middle East with the American administration.

The EC foreign ministers also "deeply deplored" what they called the repressive measures taken by Israel to quell disturbances by Palestinians in the West Bank and Gaza Strip and demanded they be halted. They also deplored the Israeli settlement policy in the territories and the diversion of resources to the "illegal settlements."

According to EC sources, the intervention of Holland, considered the most pro-Israel member of the EC, softened the statement somewhat by having the word "deplore" substituted for "condemn."

SECURITY TIGHT, PROTEST STRONG AS SHAMIR ARRIVES IN ROME

By Ruth E. Gruber

ROME, Feb. 15 (JTA) -- Israeli Premier Yitzhak Shamir arrived here for a two-day official visit Monday amid extraordinary security measures at Leonardo da Vinci Airport in Fiumicino, near Rome.

He is the first prime minister of Israel to visit Italy since Shimon Peres came here in that capacity in 1985, and the first to arrive while his country is under severe criticism for taking harsh measures to quell Palestinian rioting in the West Bank and Gaza Strip that has continued virtually unabated since Dec. 9.

Shamir also is strongly at odds with Italian government leaders and majority public opinion in Italy over the next moves in the Middle East peace process. Italy is one of the main proponents of an international conference for Middle East peace and the country supports Palestinian demands for a homeland.

Shamir made clear before his departure from Tel Aviv earlier in the day that he is unalterably opposed to both. He also has rejected the principle of exchanging land for peace, which some believe to be the basis of the latest proposals worked out by U.S. Secretary of State George Shultz.

On Saturday, two days before Shamir's arrival, some 50,000 people marched through Rome in a demonstration for Palestinian rights.

Sharpshooters And Helicopters

Sharpshooters were stationed on rooftops inside and around the airport when the Israeli leader arrived. Armored cars guarded the runway and two police helicopters hovered overhead as Shamir descended from his El Al plane for official greeting ceremonies. Special security units augmented by police dogs stood guard.

In a television interview shortly after he landed, Shamir reiterated his doubts about the American plan, saying no one can make Israel do what it does not want to do.

At Ben Gurion Airport near Tel Aviv, only a few hours before, Shamir told reporters "I will meet (Shultz) on the basis of our friendly relations of very long standing, and of course we will exchange views on all issues of interest to both our countries."

Shamir also told Israeli reporters that the unrest in the administered territories would be on the agenda of his talks with Italian leaders. He admitted that "there has been criticism, but we must cope with this, and explain our position to the Europeans."

Shamir denied emphatically that Italian Jewish leaders were angry with Israel and were refusing to meet with him. "I will explain the situation here (in Israel) to them, and listen to their doubts and questions," the premier said.

Jews To Present Petition

The Italian Jewish community is, in fact, split on the issue of Israel's tactics in the West Bank and Gaza Strip. About 500 Jews have signed an appeal against repressive policies which they plan to present to Shamir. Jews here also are concerned that anger toward Israel by much of the Italian public would have an anti-Semitic backlash.

Another sensitive issue attending Shamir's visit is Israel's uneasy relations with the Vatican. Before his departure from Tel Aviv, Shamir confirmed that he will not request a meeting with Pope John Paul II. The Vatican has not requested a meeting with Shamir.

The premier's position on this matter was criticized Monday by Rabbi Marc Tanenbaum, head of the American Jewish Committee's international affairs department. Tanenbaum, who has met four times with Pope John Paul, told Israel Radio that Shamir might be seen as deliberately offending the Vatican, which has refused to establish diplomatic relations with Israel.

While political leaders visiting Rome may or may not choose to see the pope, the problem is "more one of appearances than reality," Tanenbaum said.

**DIASPORA LEADERS REJECT LIKUD
CANDIDATE FOR WZO TREASURER**
By Hugh Orgel

TEL AVIV, Feb. 15 (JTA) -- The leading diaspora philanthropists on the Jewish Agency Board of Governors on Sunday night unanimously rejected the candidacy of Knesset member Haim Kaufman of Likud for the post of World Zionist Organization-Jewish Agency treasurer.

Kaufman, who already had received his party's nomination, responded angrily Monday morning, complaining that the vote was "clearly a political move, not concerned with my full qualifications for the job."

In another move, the philanthropists accepted the candidacies of two Labor Party contenders for the post of head of the WZO-Jewish Agency Aliyah Department: Uri Gordon and Uzi Narkiss.

The Labor Party voted last week to nominate Gordon, but the outcome of that vote was kept secret until the candidates were reviewed by the diaspora leaders.

Simcha Dinitz, chairman of the WZO-Jewish Agency Executive has come under strong pressure in recent days to fill various key WZO-Agency portfolios, an arduous task the World Zionist Congress failed to deal with as it broke up in discord early in December.

The posts are normally filled through elections during the congress, but the selections are subject to the "advice and consent" of the Jewish Agency Board of Governors.

Last November, the Board of Governors exercised that prerogative before-the-fact, rejecting another Labor candidate for the chairmanship that Dinitz eventually won.

Because Labor received that post, the Likud has been promised the treasurer's post. Because of the philanthropists' veto, it now must come up with another candidate. The diaspora leaders are said to prefer another member of Likud's Herut wing, Knesset member Gideon Gadot.

Likud politicians are threatening that Herut will secede from the WZO-Jewish Agency Executive unless the party gets all the portfolios it is demanding. In addition to the treasury post, the party is insisting on the chairmanship of either the Aliyah or Youth Aliyah departments, as well as the co-chairmanship of the Settlements Department.

Meanwhile, Rabbi Richard Hirsch, the new chairman of the Zionist General Council, has warned Dinitz that not filling the vacant posts is becoming detrimental to the agency. The Zionist General Council is the WZO governing body between quadrennial Zionist congresses.

**BILL WOULD ALLOW MUNICIPALITIES
TO BAN SABBATH ENTERTAINMENT**
By Hugh Orgel

TEL AVIV, Feb. 15 (JTA) -- The Cabinet approved a draft law Sunday, to be presented to the Knesset, that would give municipal councils the right to ban Sabbath entertainment within all or part of their statutory boundaries.

The vote was 17-2, with Minister-Without-Portfolio Yitzhak Peretz of the Sephardic Orthodox party Shas voting against, because he felt the proposed legislation did not go far enough to enforce public observance of the Sabbath. Absorption Minister Yaacov Tsur cast the other negative vote, because he thought the draft law to be excessively coercive.

In another move affecting religious concerns, the Cabinet voted Sunday that daylight savings time will be observed in Israel from April 10 to Sept. 4. What Israelis refer to as "summer time" will be in force between those dates for the coming three years.

The 147-day period was a compromise between those ministers who wanted the full 205-day summer time, in force throughout virtually the entire Western world, and religious ministers who oppose any tampering with the clock, complaining that it makes life more difficult for the Orthodox observing daily prayers.

**PALESTINIAN GETS 30 YEARS
FOR ROME AIRPORT ATTACK**
By Ruth E. Gruber

ROME, Feb. 15 (JTA) -- An Italian court imposed a 30-year prison sentence Friday on Ibrahim Mohammed Khaled, sole survivor of a Palestinian terrorist gang that killed 16 people and wounded 80 in a machine gun and grenade attack on Leonardo da Vinci Airport near Rome on Dec. 17, 1985.

At the same time, the court pronounced life sentences in absentia on the terrorist leader known as Abu Nidal and his associate, Rashid al-Hamieda, who masterminded the Rome airport massacre and the almost simultaneous terrorist attack at Vienna airport, where four people were killed and 47 wounded.

Judge Felippo Antonioni, who read the verdict, explained the court's relative leniency toward Khaled, 20, for whom the prosecution had demanded a life sentence. It took into consideration the defendant's youth -- he was 17 at the time of the massacre -- and his subsequent cooperation with the Italian authorities.

Khaled, in his pre-trial testimony, provided detailed information about the preparation and execution of the attack and about Arab terrorist organizations in general. Although he refused to appear in court during most of the trial, his testimony was the basis of the prosecution's case and implicated Abu Nidal.

The plan, according to Khaled, was a mass hijacking of passengers at the check-in counters of El Al, Israel's national airline, and an American airline, TWA. They were to have been forced aboard a plane and flown over Tel Aviv where the planes were to be blown up in mid-air.

Said Israelis Fired First

Khaled claimed the terrorists opened fire in the crowded airport terminal, because El Al security agents spotted them and fired first.

The victims of the attack included five Americans, three Greeks, an Italian, an Algerian and two Mexicans.

The court said information provided by Khaled also led the authorities to a terrorist arms cache.

According to Khaled, the coordinated attacks on the Rome and Vienna airports were intended by Abu Nidal to discredit PLO chief Yasir Arafat's diplomatic offensives.

Abu Nidal, a shadowy figure in the terrorist underworld whose real name is Sabry al-Banna, is believed presently to operate from Syrian controlled areas of Lebanon and from Libya. He is also held responsible for numerous assassinations and assassination attempts aimed against Israelis in Europe and against prominent figures of the Palestine Liberation Organization.

NJCRC LEADERS DISAGREE WHY ISRAEL'S IMAGE DECLINING

By Tom Tugend

LOS ANGELES, Feb. 15 (JTA) -- A preliminary reading of the professional pulse-takers of the American Jewish community shows a divided diagnosis of Israel's deteriorating image abroad.

At the opening session Sunday of the National Jewish Community Relations Advisory Council 44th annual plenary session here, some delegates said Israel's handling of Arab stone-throwers in the Gaza Strip and West Bank harmed its image.

Others blamed what they called the distorted picture presented by the American news media.

Some 450 lay and professional leaders, representing NJCRC's 113 local and 11 national agencies dealing with Jewish community relations throughout the United States, were on hand for the lively exchanges.

Plenary speaker Dr. Yossi Beilin, political director general of Israel's Foreign Ministry and an influential adviser to Foreign Minister Shimon Peres, was less concerned with the image than the substance of Israel's policy.

He said the confrontations in the territories have forced both the United States and Israel to return the Palestinian problem back atop their agendas.

He said both countries, facing national elections this year, would have been content to maintain the status quo.

Beilin attributed the new Arab militancy in the territories to differing attitudes between generations.

"The older generation (of Arabs) could compare the occupation under Israel to that under Egypt or Jordan, which were worse," said Beilin.

The rock-throwing teen-agers, on the other hand, "compare Gaza and the West Bank to Tel Aviv and Haifa," he said.

Session moderator Burton Levinson, national chairman of the Anti-Defamation League of B'nai B'rith, complained that he was "sick and tired of American Jews who take their case (against Israeli policy) to the general press. Too many Americans believe that this debate (among American Jews) is a sign of disunity."

On the brighter side, Levinson reported that an ADL poll taken in late January showed that support for Israel among Americans in general was as high as ever.

PR Classes Suggested

In some lively statements from the floor, a woman from Palm Beach, Fla., urged that all Israeli leaders attend an intensive course in public relations.

Beilin responded by saying Israeli leaders are aware of the image problems abroad, but added that "this is not a (public relations) question, we must solve real political problems."

Beilin was to have been joined at the session by Rep. Lee Hamilton (D-Ind.), chairman of the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee, but at the last moment he was called for consultation by Secretary of State George Shultz.

The four-day plenary session will end Wednesday noon, after workshops and forums on AIDS, anti-Semitism, South Africa, black-Jewish relations, cults, Soviet Jewry, religious pluralism in Israel and other domestic and international issues.

SLIGHT DECLINE IN U.S. TOURISM TO ISRAEL REPORTED

By Yitzhak Rabi

NEW YORK, Feb. 15 (JTA) -- U.S. tourism to Israel has declined slightly in reaction to the violent clashes in the West Bank and Gaza Strip, according to Israeli travel professionals here.

But continued clashes could cause a dramatic drop-off in visits to the Jewish state, Moshe Shoshani, Israel's commissioner of tourism to the United States, said in an interview.

"The problem that we are facing is basically an image problem. Tourists are not afraid of going to Israel for safety reasons, but they might not want to travel because they perceive Israel's actions negatively," Shoshani said.

He said the disturbances have not directly resulted in "a significant number of cancellations of flights to Israel." However, he added the number of new reservations "is slightly less than what we expected."

Aviva Lavi, a spokeswoman for El Al Israel Airlines, said El Al has received about 1,000 new reservations in each of the last few weeks, "which is slightly higher" than the previous year at the same period.

She said El Al bookings for February and March 1988 are better than they were last year. The reason may be the celebration of Israel's 40th anniversary, she noted.

According to Shoshani, about 40,000 Americans visited Israel last December, when the Palestinian unrest began, an increase of 16 percent compared with the same month of the previous years.

Shoshani said that 1987 was one of the best years for tourism to Israel, with more than 1.5 million visitors. About 350,000 of them came from the United States, Shoshani noted.

The commissioner said that the forecast for 1988 is about 1.7 million tourists, 400,000 of them from the United States.

TABA CONCILIATION TALKS EXTENDED

By Tamar Levy

GENEVA, Feb. 15 (JTA) -- Egypt and Israel have agreed to extend talks on resolving ownership of Taba in the Sinai until March 1, Israeli diplomatic sources in Geneva disclosed Friday.

According to the sources, the agreement came at the urging of American officials. But they said the countries were not close to a resolution.

The five-member international panel of arbiters established to resolve the Taba issue is scheduled to visit the tiny strip of land south of Eilat on Wednesday. The panel will enter Taba from Egypt and leave via Israel. Oral arguments before the arbiters are to begin March 14.

JANUARY INFLATION HIGHER THAN EXPECTED

By Hugh Orgel

TEL AVIV, Feb. 15 (JTA) -- The cost-of-living index rose by 1.6 percent during January, the Central Bureau of Statistics announced Monday.

It was the first monthly index based on a new "representative basket" reflecting current expenditures more accurately than the old basket prepared some years ago.

The January figure was somewhat higher than the 1.0-1.2 percent figure anticipated by economists and the banks.