

CABINET CONSIDERING INCREASED SECURITY MEASURES IN SOUTH LEBANON FOLLOWING TERRORIST ATTACK ON ISRAELI MILITARY H.Q. IN TYRE
By Gil Sedan and Hugh Orgel

JERUSALEM, Nov. 6 (JTA) — The Cabinet began consideration today of further security measures in south Lebanon in the aftermath of Friday's suicide truck bomb attack on Israeli military headquarters in Tyre. Proposals to seal off south Lebanon from the rest of the country by closing the Awali River bridges were deferred to a later session for decision, at the request of Premier Yitzhak Shamir.

According to Israeli army figures, 28 Israeli soldiers and border policemen and 32 Lebanese, mostly detainees awaiting interrogation but some of them employees at the Israeli installation were killed. Of the 28 Israeli, 13 were Druze. Twenty-nine Israelis and 12 Lebanese were injured. Among the Lebanese were relatives of the detainees who had been waiting outside of one of the buildings hit. Five persons were extricated from the rubble.

Action By Border Policeman Saved Lives

The attack was almost a replica of the suicide truck bombings that hit U.S. and French military headquarters in Beirut on October 23, killing 230 American and 53 French servicemen and wounding scores more.

Israeli military sources said the death toll at Tyre would have been much higher had not a border policeman guarding the compound fired at the speeding pick-up truck, killing the driver and causing the explosives to detonate outside rather than inside the building. The amount of explosives contained in the truck is still undetermined.

A group calling itself the "Islamic Jihad" (Holy War) claimed responsibility for the attack in Tyre. It is the same group that took credit for the attacks on the multinational force in Beirut last month and on the U.S. Embassy there last April.

Israeli Arab affairs experts identified the group as extremist Shiite Moslems, allied to Iranian Shiites. They have been fighting alongside the Syrians and elements of the Palestine Liberation Organization against the Lebanese army.

Swift Retaliation Follows

Israel launched swift retaliation for the attack which occurred at 6 a.m. local time Friday. Waves of Israeli fighter-bombers blasted Syrian and terrorist targets at Behamdoun on the Beirut-Damascus main highway and Mansouriyah, to the south. These were described as terrorist bases established after Israeli forces evacuated the region two months ago to more secure lines south of the Awali River.

Reports from Beirut Friday said tanks and three Syrian artillery batteries were destroyed in the bombing and strafing attacks. An Israeli military spokesman said all planes returned safely to their bases.

Shamir warned today that the terrorists erred gravely if they thought the attack would force Israel's total withdrawal from Lebanon. "We shall leave Lebanon only once we are convinced that our

leaving will not unleash waves of terror," he said. "We are strong and we shall not leave Lebanon before we reach our goals which are sovereignty for the Lebanese and security for Israel."

(A similar statement was made in Geneva yesterday by David Kimche, Director General of the Israeli Foreign Ministry. He told reporters that if the Syrians think Israel was too preoccupied with its internal affairs and unwilling to fight, they were badly "misreading" the mood in Jerusalem.)

Message From President Reagan

Shamir informed the Cabinet that he had received a message from President Reagan sent Friday expressing the support of the American people for Israel at this grim hour. Reagan said he hoped that America's "deep sense of sympathy" with Israel in the Tyre bombing would "ease the loss that the people of Israel feel."

The President's message stated: "Today I participated in a memorial service for the casualties suffered by American forces in Beirut. Our sense of loss was made even greater by the knowledge that your forces have suffered today casualties in the same kind of terrorist attack." News of the Tyre bombing reached the President at Camp LeJeune, North Carolina, where he was attending services for the marine dead. (See separate story for other Administration reactions.)

U.S. Undersecretary of State Lawrence Eagleburger who was in Jerusalem Friday after winding up two days of talks with Israeli officials, described the attack as "murderous terrorism of the worst kind" and said every effort should be made to stamp out such acts.

The Cabinet was briefed on the Tyre attack by Chief of Staff Gen. Moshe Levy, Air Force Commander Gen. Amos Lapidot, and chief of military intelligence, Gen. Ehud Barak. The meeting opened with the ministers rising for a minute of silence for the dead in Tyre. Shamir offered his condolences to the bereaved families and wished the wounded a speedy recovery.

Discussion of Finance Minister Yigal Cohen-Orgad's austerity program to resolve Israel's severe economic crisis, originally the top agenda item at today's Cabinet meeting, was postponed until tomorrow when the Cabinet will convene again in special session. (See separate story on Cohen-Orgad's program, P.4.)

Divided Over Sealing Of Bridges

The ministers were divided over the wisdom of sealing off the Awali River bridges to improve the security of Israeli-occupied south Lebanon. Some senior ministers objected to the idea for fear of negative political and security implications.

Shamir, Defense Minister Moshe Arens and Deputy Premier David Levy were said to have argued that a closure would not guarantee an end to sabotage. Interior Minister Yosef Burg and Science Minister Yuval Neeman urged total segregation of south Lebanon from the north.

Although Shamir postponed a decision, the military is applying stricter controls over the Awali bridges. Traffic has been sharply curtailed but the crossings remain open for the time being.

Israel is also expected to launch a campaign against the Shiites in south Lebanon to warn them against

assisting terrorists while reiterating Israel's interest in maintaining a good relationship with that community.

The suicide attack caused extensive damage to the military headquarters compound. One building, housing general security services, was completely demolished. Another, housing border policemen, was partially destroyed as was a third where Arab detainees were being held.

One of the buildings served as a storage for explosives which continued to detonate after the initial blast, complicating rescue operations. The dead and wounded were pulled from the rubble within 12 hours by a new technique, developed after a gas leak caused an explosion which destroyed an Israel army headquarters building in Tyre a year ago, with heavy loss of life.

Special Equipment In Rescue Work

Special equipment was flown in from Tel Aviv to help in the rescue work. This included specially designed pneumatic lifts capable of raising concrete slabs of up to 20 tons, inflatable rubber pillows to support the slabs while the wounded were extricated, and long tubes to pump oxygen into the rubble.

Lt. Col. Aharon Gonen, the army spokesman for the Sidon region, said the same equipment was offered to the American forces in Beirut after the bombing of the marine headquarters on October 23. The Israeli offer of technical and medical aid was rejected by the U.S.

Heroism Of Border Policeman

Eye-witnesses to Friday's attack, which occurred shortly after dawn, said an unidentified pick-up truck was seen speeding toward the headquarters compound, zig-zagging between concrete blocks which had been erected as a security measure.

A border policeman, identified as Nakad Sarbach, opened fire on the vehicle as it swerved along the approach road. He said later he believed he shot and killed the driver before the vehicle blew up just short of the headquarters buildings. Sarbach himself was hurled into the air by the blast but was alert enough to recapture several Arab prisoners who had seized the opportunity to try to escape. Doctors said Sarbach, who was treated for injuries, suffered nothing worse than punctured eardrums.

The dead and wounded were all identified by Saturday morning. Israel army burial squads assisted in identifying the Lebanese victims whose bodies were turned over to the International Red Cross to be returned to next of kin for interment.

A board of inquiry was immediately set up by Chief of Staff Levy to study the lessons of the attack. An immediate measure taken was the replacement of the concrete blocks by phalanxes of parked vehicles around the perimeter of the military headquarters.

AMERICAN OFFICIALS WON'T REVEAL IF U.S. WILL RETALIATE FOR THE TERRORIST BOMBING OF MARINE H.Q.

By David Friedman

WASHINGTON, Nov. 6 (JTA) -- Defense Secretary Caspar Weinberger and Gen. John Vessey, Jr., chairman of the Joint Chiefs of Staff, refused today to reveal whether the United States would retaliate for the terrorist bombing of the marine headquarters in Beirut as did the Israelis immediately following the terrorist bombing of its headquarters in Tyre last

Friday. But Vessey ruled out any joint action with the Israelis. "The Israelis are in Lebanon in a different position than we are," Vessey said on NBC-TV's "Meet the Press" program. "The Israelis are at war with the Syrians. We came in as a peace-keeping force to try and help re-establish Lebanon, to get both the Israelis and the Syrians out."

Asked about retaliation, Vessey replied, "We need to find the perpetrators. We don't need to side with the Israelis or the Syrians." Vessey said he did not know who was responsible for the terrorist bombing of the marine barracks which took some 230 American lives. But while being vague about retaliation, he added, "I think we should attack the terrorists."

Weinberger, appearing on ABC-TV's "This Week With David Brinkley," said he would not discuss what action, if any, the U.S. would take against those responsible for the terrorist attack. There have been some reports that in moving in another aircraft carrier into the waters off of Lebanon, the U.S. may be planning air attacks similar to the ones staged by the Israelis on Friday.

But Weinberger said the aircraft carrier that is arriving off the coast of Lebanon, is accompanying a ship carrying the marine contingent that will replace the marines now in Lebanon. He said that while the new marines are going in and the old ones leaving, there is a certain "overlap" in the number of ships the U.S. has off Lebanon but that is all there is to this.

U.S. 'Revolted' By Tyre Bombing

In its initial reaction, the Reagan Administration said Friday that it was "revolted" by the terrorist bombing in Tyre and appeared to indicate that it did not disapprove of Israel's immediate retaliation. Officially, State Department spokesman John Hughes said he had "no comment" when he was asked about the Israeli bombing of Syrian and Palestinian targets in Lebanon. Unofficially, however, the Department called Israel's action "understandable wrath."

After previous Israeli retaliatory strikes, the State Department had either condemned them or had deplored the use of violence by all sides. But there was none of this Friday as the attack on the Israeli installation came 13 days after a similar terrorist attack killed more than 230 Americans. When Hughes was asked if Israeli retaliation would result in an escalation of violence in Lebanon, he replied that any escalation would have been caused by those who bombed the Israeli headquarters.

Hughes said the United States still plans its own retaliation against the group that committed the terrorist act against the marine headquarters, but would not say what form this would take or when it will come. He said the U.S. investigation was still going on. When asked about Israel's immediate response, Hughes said the Israelis made their own judgement on how to respond and the U.S. will make its own judgement on its response.

U.S. Statement On The Terrorist Bombing

Hughes read a statement on the terrorist act against the Israelis which said: "The United States is revolted by the tragic bombing by terrorists of the Israeli army building in Tyre, Lebanon today and we extend our sympathy to the victims and their families."

"Attempts to thwart the objective of returning peace and stability to Lebanon through violence and terrorism will, in the end, fail. Those who believe that they can work their will through terrorist actions

are sadly mistaken. Only negotiation can pave the way for the withdrawal of foreign forces and a return to a peaceful and independent Lebanon. We rededicate ourselves today to the objectives to which we have adhered since we undertook partnership in those negotiations."

"Our hearts go out to the people of Israel and Lebanon in this tragic loss of precious human lives. We stand ready to assist in any way that we can in this hour of national travail."

**The View From Jerusalem:
FIRST ROUND OF LEBANESE
RECONCILIATION TALKS SEEN AS
'NOT A BAD BALANCE SHEET SO FAR'
By David Landau**

JERUSALEM, Nov. 6 (JTA) -- Israel feels the first round of the Lebanese national reconciliation talks in Geneva ended fairly well from its point of view.

The May 17 Lebanon-Israel agreement is still intact despite strenuous Syrian efforts to have it abrogated, government sources noted after today's Cabinet meeting here. They added that Syria's desire to replace Lebanese Prime Minister Shafik Wazzan with a more malleable politician was also thwarted.

"Not a bad balance sheet so far," the Israeli sources said. They cautioned, though, that Lebanese politics are notoriously difficult to predict -- especially given the precarious security situation in various parts of the country. The second round of the Geneva talks, scheduled to resume November 14, could yet deal a mortal blow to the May 17 agreement.

The first round of the talks ended last Friday with the conference mandating President Amin Gemayel to launch a new diplomatic effort to bring about Israeli withdrawal. The President is also to negotiate "on international levels to assure the total and absolute sovereignty of Lebanon over its entire territory."

Syrian efforts, through Damascus' Lebanese client-factions, to have the May 17 agreement abrogated failed against the solid resistance of Gemayel and some of the pro-government factions. A subsequent move to declare the agreement "frozen" was discarded in favor of the more vague formula empowering Gemayel to negotiate on Lebanon's behalf and report back to another round of the talks scheduled for Mid-November.

The Israeli sources said that this mandate to Gemayel meant that the President had emerged from the conference with his standing enhanced. The Syrian-backed opposition factions had hoped for a diametrically opposite outcome.

**The View From Geneva:
GEMAYEL GIVEN A MANDATE TO TRY TO
OBTAIN U.S. HELP TO END OCCUPATION
OF LEBANON BY FOREIGN TROOPS**

GENEVA, Nov. 6 (JTA) -- The nine Lebanese factional leaders who met here last week for national reconciliation talks have recessed their meeting until November 14. President Amin Gemayel himself left Geneva last Friday shortly after the bomb attack on an Israeli security base in south Lebanon and was expected to return to Beirut.

Instead, he went to Paris where he met with President Francois Mitterrand and reportedly plans to go to Washington to see President Reagan before he leaves for a Far East tour Tuesday. Gemayel's visit

to Paris and Washington is aimed at obtaining Western help in getting a negotiated early withdrawal of Israeli troops from Lebanon.

Last Thursday the Lebanese factional leaders unanimously adopted a resolution mandating Gemayel to try to obtain America's intervention in ending the occupation of Lebanon by foreign troops. The resolution mentioned only Israel's occupation, but spokesmen for four of the factions supporting Gemayel said the resolution indirectly, and without mentioning Syria by name, also calls for a Syrian withdrawal.

'The Best We Could Do'

The Christian Phalangist spokesman, Alfred Maadi, said the adoption of the resolution by all the factions signified "a victory for Lebanon as a united nation." Veteran rightwing Maronite leader Pierre Gemayel, the founder of the Phalangist Party and father of President Gemayel, told the Jewish Telegraphic Agency that the resolution as adopted was "the best we could do."

He pointed out that the resolution was certainly better than the demand by four opposition leaders, including Druze leader Walid Jumblatt and Shiite leader Nabith Berri, not to implement the Lebanese-Israeli May 17 withdrawal and security agreement but to freeze it for the time being. This freeze demand was relatively mild compared to the demand by veteran Christian leader and former President, Camille Chamoun, that the May 17 accord be placed in deep freeze for an indefinite period of time.

But Jumblatt told reporters after the resolution was adopted that it spells the end of the treaty with Israel. "Lebanon can now start off on a new basis," he said. According to Jumblatt and other opposition leaders, the resolution and Gemayel's trip to Paris and Washington symbolize the defeat of the Gemayel "clan." Berri contended that the resolution is the first step towards the liberation of south Lebanon. Berri is the leader of 1.2 million Shiites, most of whom live in south Lebanon under Israeli administration.

LEONARD SCHAPIRO DEAD AT 75

LONDON, Nov. 6 (JTA) -- Prof. Leonard Schapiro, Britain's most distinguished analyst of Soviet affairs and campaigner for Soviet Jewish emigration, has died here at the age of 75. Born in Glasgow, of Russian Jewish parents, he spent much of his childhood in Riga and St. Petersburg. Educated in London, he became a lawyer in the 1930's.

During World War II he worked in the War Office and in 1945-46 served as a Major in military intelligence. After the war, Schapiro's interest in Russian history drew him into academic life. In 1963, he was appointed a professor of Russian politics at the London School of Economics, a chair he held until retiring in 1975.

In retirement, he remained as busy as ever, and took a close interest in the Institute of Jewish Affairs, the research arm of the World Jewish Congress. A few months ago he chaired a conference in London on Soviet Jewry attended by many of the Western world's most eminent Sovietologists.

Schapiro's outstanding work, published first in 1960, was "The Communist Party of the Soviet Union." Revised in 1970, it remains the definitive work on that subject in any language. The American Academy of Arts and Sciences made him an honorary member in 1967.

COHEN-ORGAD TO PRESENT GOVERNMENT WITH AN AUSTERITY ECONOMIC PROGRAM By David Landau

JERUSALEM, Nov. 6 (JTA) -- Finance Minister Yigal Cohen-Orgad is about to present the government with an austerity economic program which he says will weigh most heavily on the higher income brackets but protect the poor.

He announced some of his measures several days ago as public opinion polls showed a dramatic lack of confidence in the government's ability to manage the economy and figures just released disclosed a disastrous decline in the country's foreign currency reserves.

Meanwhile, the price of bank shares on the stock exchange collapsed despite the hundreds of millions of Dollars poured in by the Treasury to prop them up. Business analysts are predicting an epidemic of bankruptcies and mass unemployment.

Move To Trim Budgets

In an effort to trim budgets, Cohen-Orgad met with Welfare Minister Aharon Uzzan and with Education Minister Zevulun Hammer. Uzzan apparently agreed to the Finance Minister's plan to tax child allowances paid by the National Insurance Institute to families whose main breadwinner is in the 50 percent tax bracket.

At the meeting with Hammer, it was decided to levy an education tax on all families with school children, except those in the lower income brackets. Day care centers will also be affected. Financially better-off families will have to pay higher fees for the service.

Both Hammer and Uzzan are reportedly going along with spending cuts in their respective ministries. In the case of the Welfare Ministry, a saving of 700 million Shekels is expected.

Cohen-Orgad is also considering a plan to raise the top marginal tax rate from 60 to 70 percent for persons earning more than 250,000 Shekels a month. He said that would affect only one hundredth of the population.

A Crisis Of Confidence

Academic economists by and large remain skeptical that these projected measures are sufficient to deal with the grave economic crisis. There is also a crisis of confidence. A public opinion poll by the Pori firm showed that 80 percent of Israelis believe the government is unable to control the economy. Only two percent thought the situation could be improved ultimately but that would depend on Cohen-Orgad's performance.

The poll results were published following disclosure that Israel's foreign currency reserves fell by \$176 million in the month of October alone. From July to October, the drop was \$420 million and reserves now stand well below the \$3 billion "red line."

Cohen-Orgad acted to curb that trend when the Treasury banned the free sale and purchase of foreign currency last week. Only bona fide travellers and businessmen are now permitted to purchase Dollars legally, but in relatively limited amounts. The black market is flourishing, however, and newspapers are publishing hints on how to circumvent the hastily issued regulations.

The Finance Minister also met with representatives of the Manufacturers Association several days ago. He told the industrialists that his immediate aim is to

stem the stock market decline and his longer term goal is to narrow Israel's vast balance of payments gap.

Independent economic observers are pointing out that the government has poured some \$400 million into the stock market so far to bolster sagging bank shares. Last Wednesday, for example, \$32 million was spent for that purpose according to official figures. But there are no signs that institutional buyers are prepared to purchase the government guaranteed shares which would allow the Treasury to end its costly subsidies.

Experts have estimated that at least \$3 billion have been lost in the trading of bank shares and other securities on the stock exchange this past month. "This is money people thought they had," one analyst observed, "and now they don't have it. It is like a massive hemorrhage. In the end the patient faints," he said. He said the fainting would be a wave of bankruptcies of undercapitalized businesses across the entire spectrum of the economy.

Meanwhile, credit is becoming tighter than ever. The commercial banks announced last week that interest will be raised by 25 percent. This will mean rates of 192 percent charged on loans and authorized overdrafts. Since the figure is compounded quarterly, the rate of interest will soar close to 400 percent.

BEGIN FAILS TO ATTEND MEMORIAL SERVICE FOR HIS LATE WIFE

JERUSALEM, Nov. 6 (JTA) -- Former Premier Menachem Begin failed to attend the memorial service on Mt. Olives last Friday to mark the first anniversary of the death of his wife, Aliza. Begin's children, Premier Yitzhak Shamir and his wife Shulamit, dozens of friends as well as journalists did show up, however, for the 15-minute ceremony.

Begin was known to have been exceptionally close to his late wife, and therefore it was expected that he would be present at the service. The fact that he was not was interpreted as an indication that he is in poor health.

Begin retired to his residence 60 days ago and has not emerged since, reportedly because of a skin disease which prevents him from shaving. He has seen only family members and his close associates, Yehiel Kadishai and Cabinet Secretary Dan Meridor. Even Shamir has not seen Begin since he assumed office.

ARAB PRISONERS CRUSHED TO DEATH

TEL AVIV, Nov. 6 (JTA) -- Six Arab prisoners held at the Ansar detention camp in south Lebanon were crushed to death in a tunnel under the camp through which they had hoped to escape.

The IDF spokesman said that bulldozers had been at work in a section of the camp being razed after new accommodations had been built on concrete or asphalt bases to prevent escape tunnels from being built.

The tractor suddenly sank into the earth, breaking through the surface into a tunnel already dug in which six inmates had been hiding. In a search of the area after the incident two more prisoners were found hiding underground in another tunnel.

There will be no Daily News Bulletin dated November 11, Veterans Day, a postal holiday.