

**U.S., ISRAEL IN SEPARATE AIR STRIKES OVER LEBANON; 2 U.S. NAVY PLANES DOWNED BY SYRIANS**  
By Gil Sedan

JERUSALEM, Dec. 4 (JTA) -- Tension ran high in the region today following a large scale air attack by U.S. carrier-based warplanes on Syrian gun emplacements in Lebanon. Two of the American aircraft were shot down, according to announcements by the U.S. Defense Department and by Defense Secretary Caspar Weinberger who was in Paris today for talks with French officials prior to attending a NATO meeting in Brussels later this week.

The U.S. said the attack on Syrian positions was in response to Syrian anti-aircraft fire on U.S. reconnaissance flights over Lebanon in the past few days. According to the reports from Washington, today's attack was mounted by 28 naval aircraft from the carriers Independence and Kennedy steaming in Lebanese waters. The pilot of one of the downed U.S. planes, an A-7 Corsair, parachuted to safety and was rescued. An A-6 Intruder attack bomber was also shot down. One of its pilots was reported killed and the other taken prisoner by the Syrians.

The American air strike this morning followed one by the Israel Air Force yesterday which was aimed at Syrian-backed Palestinian bases in Lebanon. A military spokesman said it was ordered in response to "a chain of attacks, terrorist actions and attempted attacks on Israeli soldiers in Lebanon." All Israeli planes returned safely to their bases, he said.

The targets of the Israeli attacks were reported near Bhamdoun and Sofar, towns overlooking the Beirut-Damascus highway. The pilots reported direct hits. There was no verification of news agency reports that a Syrian radar station was destroyed. Beirut radio said the Israelis also attacked positions occupied by Druze militia in Lebanon.

**WEINBERGER WARNS SYRIA U.S. WILL CONTINUE TO HIT ITS POSITION IN LEBANON**  
By Edwin Eytan

PARIS, Dec. 4 (JTA) -- U.S. Defense Secretary Caspar Weinberger warned Syria today that the United States will continue to hit Syrian positions in Lebanon if they shoot at American reconnaissance flights.

Weinberger, who is in Paris for talks with French Defense Minister Charles Hemu, confirmed that "according to information we now have" two American planes were lost in this morning's air strike over Lebanon. The U.S. Defense Secretary said that one of the downed pilots has been recovered and is aboard an American vessel and that two others were "in Syrian hands."

Weinberger told newsmen after a four hour meeting with Hemu that diplomatic contacts would start "immediately" to obtain the release of the two American airmen. He said daily reconnaissance flights over Lebanon were essential for the safety of the entire multinational force which consists of American, French, Italian and British contingents. He said America took the decision to stage today's air strike in response to attacks on U.S. reconnaissance missions. He said that "some 28 planes" had

taken part in today's air strike. Weinberger and Hemu, according to French sources, were in nearly complete agreement on the need to keep the multinational force in Beirut, back Amin Gemayel's government and respond to any provocations.

**SECURITY TIGHTENED AFTER S. LEBANON AMBUSH**  
By Gil Sedan

JERUSALEM, Dec. 4 (JTA) -- Israeli forces tightened security measures on the Awali River bridges over the weekend following the bazooka rocket attack on an Israeli army vehicle in Nabatiya, south Lebanon Friday in which one soldier, Corp. Aharon Yanovsky, was killed and one soldier and three local residents were wounded. Yanovsky was buried today in Holon.

The attack was carried out by masked terrorists who escaped. Israeli military officers met with regional leaders today to warn them that terrorists were planning to infiltrate booby-trapped cars into the region. They explained that the elaborate inspection procedures at the bridge checkpoints were as much for the protection of the local populace as for Israeli forces.

The Israelis denied claims by representatives of the south Lebanese that goods from south Lebanon bound for the north were deliberately being delayed.

**SHAMIR BRIEFS CABINET ON ECONOMIC ASPECTS OF HIS TALKS IN WASHINGTON**  
By David Landau

JERUSALEM, Dec. 4 (JTA) -- The U.S. has undertaken to conclude the proposed negotiations on a free trade area with Israel within a few months, Cabinet sources said today after Premier Yitzhak Shamir briefed the ministers on his talks in Washington last week.

Shamir dwelt at length on the economic aspects of his visit. He said Washington's agreement to a \$1.4 billion military aid grant for fiscal year 1985 need not necessarily be the last word. It had been understood that if Israel needed more, more would be available. Israel's original request was for \$1.7 billion. The U.S. also indicated it would favorably consider upping the military aid total in the years beyond 1985, according to Shamir's briefing.

The Cabinet was told the free trade area, once operative, could increase Israeli exports to the U.S. by as much as 30 percent. In addition, there were understandings reached whereby the U.S. would purchase goods and services for its armed forces in Israel.

On the proposed prepositioning of U.S. military supplies in Israel, Cabinet sources said that here too the intention was to negotiate expeditiously. They indicated that if favorable decisions were taken regarding medical prepositioning, work might begin on major medical facilities here within months.

**DEBATE SHAPING UP OVER IMPLICATIONS OF U.S.-ISRAEL AGREEMENT**  
By David Landau and Gil Sedan

JERUSALEM, Dec. 4 (JTA) -- Israeli officials said today that the prevailing mood in Washington was one of anxiety over the Soviet-Syrian threat in the region and determination to counter it. This, they indicated was the atmosphere in which the far-reaching U.S.-Israeli agreements for military, economic and political cooperation were achieved at Premier Yitzhak

Shamir's and Defense Minister Moshe Arens' meetings with President Reagan and top Administration officials in Washington last week. (See story on Pg. 4 for analysis of the agreements.)

Officials here seemed to be acknowledging implicitly that the Israeli government will have to make efforts to persuade its own public opinion that the agreements reached in Washington will not lead to a situation in which Israel risks escalation against the Syrians in Lebanon in pursuit of American policy goals.

That, precisely, was the substance of warnings sounded at a "Yesh Gvul" (There's a Limit) demonstration by some 2,000 opponents of Israel's continued presence in Lebanon, in Tel Aviv last night. Similar concerns were expressed over the weekend by spokesmen for the opposition Labor Alignment.

If reports of a strategic agreement between Israel and the U.S. prove true, this should be the cause of deep concern because such an agreement would not serve the genuine security needs of Israel, the Labor Party stated in an official communique issued today.

#### Labor Objections

Labor MK Abba Eban, a former Foreign Minister, submitted an urgent agenda motion for a Knesset debate on the subject. The Labor Party warned in its statement that a war against Syria could involve Israel in "dangerous international complications." The statement expressed "alarm" that political and military decisions allegedly were made by Shamir and Arens arbitrarily without the knowledge of the government or the Knesset.

This was a reference to Deputy Premier David Levy's angry public complaint that he had not been briefed by Shamir or Arens during the course of their talks in Washington last week.

The young guard of Mapam, a constituent of the Labor Alignment, issued its own statement today charging that the Israeli air raids over Lebanon yesterday and the American air strike today exposed a secret aspect of the agreement reached between the two countries. The Mapam youth expressed concern that these developments may invite direct Soviet involvement in the area.

But former Chief of Staff Mordechai Gur, now a Labor MK, said on Voice of Israel Radio today that all parties concerned -- Israel, the U.S. and the USSR -- have no desire to become involved in war. Gur warned however that Israel should not adopt a policy of military force such as the Reagan Administration has done. "Problems in Lebanon should be solved in a political way. We should make it clear that we are not ready to and do not want to launch another war," Gur said.

Government officials here acknowledged that the Reagan Administration is taking a very tough line on Lebanon and the Syrian involvement there and expected Israel to take the same stance. But Israel is "sophisticated enough" not to be drawn into aggressive or provocative actions that do not directly serve its interests, the officials said. "If they (the Americans) tell us to get tough, we'll tell them they should get tough themselves," one official added.

#### ISRAELI OFFICIALS DISCOUNT REAGAN'S OFFER OF AID TO HUSSEIN

By David Landau

JERUSALEM, Dec. 4 (JTA) -- Israeli officials said today they were not concerned by President Reagan's letter to King Hussein of Jordan promising U.S. support if Jordan joins in peace talks based on Reagan's September 1, 1982 initiative.

Hussein revealed the letter in an interview published in The New York Times. He said it outlined steps the U.S. would take if Jordan decided to enter the negotiations. But Israeli officials insisted that Washington is "skeptical" of the prospects of Hussein joining in negotiations with Israel. They maintained that Reagan's letter should be seen as a ploy aimed at public opinion in the Arab world rather than an indication the U.S. has reason to believe Hussein would agree to come to the negotiating table.

The Israeli officials said the skepticism with regard to Jordan was part of a general American disillusionment with the moderate Arab states, particularly Jordan and Saudi Arabia which did not live up to the hopes the U.S. had placed in them.

#### HAIG CONDEMNS REAGAN ADMINISTRATION'S TREATMENT OF ISRAEL OVER LEBANON WAR By Michael Solomon

MONTREAL, Dec. 4 (JTA) -- Former Secretary of State Alexander Haig has denounced the Middle East policy carried on by the Reagan Administration since his abrupt resignation last year.

He told a press conference, after speaking here at a dinner honoring Montreal business leader Thomas Hecht that the United States "should have learned" to deal with Israel, as a democracy, "through quiet diplomacy and not by rushing to the front pages of the newspapers or on prime-time TV to condemn an allied nation."

Haig charged that this is what "our administration did through thoughtless statements by the Secretary of Defense," whom he did not name, "by faceless White House staffers and a host of others in what remains as yet an uncoordinated structure" of government.

He made his remarks in reply to a question by the Jewish Telegraphic Agency as to why the Reagan Administration condemned Israel's invasion of Lebanon in June, 1982, while it now urges strategic cooperation on Israel, with the hope of extricating the marines from Lebanon.

#### 'Profound Differences' With Reagan Policy

Haig, answering other questions, said he had "profound differences" with the Reagan Administration's Mideast policies. He said Israel and the moderate Arab countries "will find their interests better served by a better relationship between us and Israel. If we ourselves suggest that we cannot influence Israel's policies, we shall become irrelevant to Arab states and make them look elsewhere." He said an example of that was "Egypt's intention to reopen its embassy in Moscow."

He declared that "as one who has conducted negotiations for strategic cooperation in the Middle East because of the external threat to the region from an expansionist Soviet Union, I can say that Israel can cope militarily with its own forces. All that it needs is economic aid."

#### DOCKWORKERS' SLOWDOWN RUINS EXPORT PRODUCE

By Gil Sedan

JERUSALEM, Dec. 4 (JTA) -- A work slowdown by longshoremen at Haifa and Ashdod has caused large quantities of fresh fruit and vegetables to spoil on the docks. At least 1,000 tons of rotting fruit consigned for export to Europe was dumped and citrus growers have stopped harvesting fruit which has begun to rot on the trees.

The slowdown tied up some 24 ships waiting to load perishable cargoes at Israel's two largest ports. The longshoremen are demanding a 35 percent increase in incentive payments to compensate for the erosion

of their wages by inflation. They ignored a Histadrut back-to-work order. The Association of Ocean Shippers, exporters who move their products to foreign markets by sea, called on Finance Minister Yigal Cohen-Orgad today to intervene. They wanted that the Treasury's efforts to promote exports would fail if the slowdown on the docks continued. Israel is in the midst of its citrus export season.

# **HISTADRUT INDUSTRIES WILL PAY ADVANCE COL ALLOWANCE, NO AGREEMENT REACHED WITH PRIVATE SECTOR**

By David Landau

JERUSALEM, Dec. 4 (JTA) -- Histadrut announced today that it will pay an interim cost-of-living allowance of close to 18 percent to all employees of Histadrut-owned companies despite the refusal by private employers to do the same.

Histadrut Secretary General Yeruham Meshel said the interim payment would be made later this month. The next regular COL allowance is due by February 1, 1984. The trade union federation has so far failed to reach agreement with private sector employees.

The Manufacturers Association, according to Meshel, is seeking unacceptable cuts in the February 1 increments in exchange for an 18 percent advance payment. This constitutes a breach of the long-standing COL agreement between labor, management and the government, Meshel said and Histadrut will fight it.

Labor has demanded the interim payment on the grounds that last month's record inflation wiped out the previous COL increment. By ordering its companies to pay the advance allowance without a reduction in the February payment, Histadrut is bringing pressure to bear on private employers to soften their position.

Meanwhile, Israel's two major credit card companies announced today that they will start billing card-holders fortnightly instead of monthly as was the practice until now. The companies say they are reluctant to wait a full month for reimbursement because of soaring inflation.

The new arrangement was introduced by "Isra-card" which is issued by the Bank Hapoalim and "Visa-an," issued by the Bank Leumi and the Israel Discount Bank. The Diners Club, which has a much smaller operation in Israel, said it will continue monthly billings.

# **BONN AUTHORIZES 140 MILLION MARK DEVELOPMENT LOAN FOR ISRAEL**

By David Kantor

BONN, Dec. 4 (JTA) -- The Bonn government has signed an agreement to provide Israel with a 140 million Mark development loan which the Israelis are to use for special projects such as road construction, construction of electric power stations and investment in high-tech industry.

The loan, for fiscal 1984, was approved over the strong objections of Deputy Foreign Minister Juergen Moellmann of the Free Democratic Party (FDP), coalition partner of the ruling Christian Democratic Union (CDU). Moellmann has been one of the leading opponents of continuing West German economic aid to Israel for long-range development projects. The loans began in 1965 when Bonn and Israel established formal diplomatic relations.

The opposition Green Party also opposes economic aid to Israel and only a few weeks ago urged the government to make the money available instead for the Palestinians who suffer under "Israeli aggression."

The Federal Republic is the only country, apart from the United States which regularly grants development aid loans to Israel. But the practice has had a troubled history.

In 1976, the then Israeli Foreign Minister, Yigal Allon, sought to have repayment on the loans extended beyond the annual terms because of the burden on Israel's economy. His confidential written request to Foreign Minister Hans-Dietrich Genscher was leaked to the press and the extension was denied.

In 1979, then Chancellor Helmut Schmidt agreed to extend the repayment terms despite protests from his finance minister that to do so would establish a precedent for Bonn's development aid to other countries. Schmidt was not moved but ordered his ministers to keep the matter discreet to avoid pressure from Arab governments.

Last year, in the aftermath of Israel's invasion of Lebanon, Moellmann urged Chancellor Helmut Kohl publicly to "punish" Jerusalem on grounds that the Arab countries would reward Bonn financially and politically. Kohl rejected these arguments as one-sided and ordered the Foreign Ministry to sign that year's loan agreement with Israel. Moellmann repeated his demands when the 1984 loan came up, but not publicly.

# **ISRAEL OBJECTS TO UN PLAN TO RESCUE ARAFAT**

By David Landau

JERUSALEM, Dec. 4 (JTA) -- Israel registered strong objections today to a United Nations plan to evacuate Palestine Liberation Organization chief Yasser Arafat and his supporters from Tripoli in northern Lebanon where they are under siege by Syrian-backed PLO dissidents.

The plan to rescue Arafat by sea, aboard a vessel flying the UN flag, was approved unanimously by the Security Council. The matter was discussed at today's Cabinet meeting here but no formal decision was made to officially challenge the Security Council resolution.

Nevertheless, Cabinet Secretary Dan Meridor told reporters later that "It is not the UN's role to transfer a band of terrorists from one place to which they have brought death and destruction to another place from which they intend to continue to sow death and destruction."

Energy Minister Yitzhak Mordechai reportedly urged the Cabinet to authorize an Israeli effort to capture Arafat and his chief henchmen. But sources close to Mordechai said he was not proposing that Israel assault a UN ship but that it should act before Arafat boarded the vessel. It was not clear what Mordechai thought Israel should do with Arafat in the event he was captured.

# **'CHANUKAH WAGON' VANDALIZED IN JEWISH SUBURB OF CHICAGO**

NEW YORK, Dec. 4 (JTA) -- A "Chanukah Wagon" was vandalized in Highland Park, Ill., an affluent predominantly Jewish suburb of Chicago and many members of the community suspect anti-Semitic intent, the Jewish Telegraphic Agency was informed today by Rabbi Yosef Schanowitz of the North Suburban Congregation Lubavitch.

The incident occurred Friday night when the vehicle, a 1977 station wagon decorated with a four-foot wooden menorah and other Chanukah symbols was parked, with police permission, on a city-owned parking lot in the downtown section. Rabbi Schanowitz said the windshield, headlights and rear-view mirror as well as the menorah were badly damaged. There were no anti-Semitic slogans or graffiti but at least one ranking police officer suspects that anti-Semitism was a motive, Schanowitz told the JTA by telephone.

# NEWS ANALYSIS FUTURE EVENTS WILL TEST FIRMNESS OF NEW U.S.-ISRAEL ALLIANCE

By David Friedman

WASHINGTON, Dec. 4 (JTA) -- The Reagan Administration, frustrated by its failure to get Syria to even talk about withdrawing its forces from Lebanon and to persuade Jordan to join the Middle East peace talks based on President Reagan's Sept. 1, 1982 initiative, came out of the closet last week in its relations with Israel and publicly announced that the two countries were allies.

This was how many here viewed the announcement by Reagan and Israeli Premier Yitzhak Shamir following their White House meeting Nov. 29, of the creation of a joint U.S.-Israeli political-military group as well as several economic benefits for Israel.

The Administration made it no secret that the new closer ties with Israel were aimed at sending a message. It was a message to Syria and the Soviet Union, an Administration official said. "And frankly to those that are listening in the region," he added.

"It is not a message of threat of a military axis against the Arabs," the official stressed. "But we are both very concerned about the great buildup of Soviet weapons in Syria."

Another part of the message came two days later, after Reagan met with Lebanese President Amin Gemayel and reaffirmed the U.S. commitment to the May 17 Lebanese-Israeli agreement for Israel's withdrawal from Lebanon. The President rejected Gemayel's request for changes in the agreement to appease Syrian-backed groups in Lebanon.

An official of the American Israel Public Affairs Committee (AIPAC) which has been pressing for U.S.-Israeli strategic cooperation for the past 18 months, said that the agreement would also convince the Syrians that their aggression in Lebanon will not succeed and convince the various factions in Lebanon that the Syrians will not give them control of Lebanon "on a silver platter."

This new approach of close public strategic cooperation between the U.S. and Israel was opposed by the Arabists in the State Department, by Defense Secretary Caspar Weinberger and others in the Defense Department on the grounds that such an open alliance would endanger U.S. relations with the Arab countries. An AIPAC official noted that up to now the policy seemed to be to "work with anyone but Jews."

## Arab Warnings

The day after Reagan and Shamir made their announcement, Prince Bandar, the Saudi Arabian Ambassador to Washington, brought Reagan a letter from King Fahd and told reporters that "Israel is a strategic liability to America."

Clovis Maksoud, the Arab League representative here, was quoted as saying, the Arabs will have to make "a painful reassessment of Arab-U.S. relations" and they could no longer consider the U.S. as "a mediator or a broker." King Hussein of Jordan, in an interview in Amman with American reporters, said he found the agreement "totally dismaying."

However, a senior Administration official told reporters last week he "senses less anxiety" among the Arabs than when the U.S. and Israel signed the aborted Memorandum of Understanding on strategic cooperation in 1981.

U.S. officials also emphasized that Shamir was told that the U.S. has to have friends in the Arab world. They gave as examples, Saudi Arabia, Jordan and Egypt and explained that from time to time it is necessary to supply them with arms. Also stressed by the Administration was that both Reagan and Secretary of State George Shultz repeatedly told Shamir that Israel's policy of establishing settlements on the West Bank is an obstacle to the peace process.

An Administration official said the Israelis made no secret that they will not change this policy. Shamir himself told the National Press Club Wednesday that Israel has never given a commitment not to build villages and cities in Judea and Samaria.

The Administration official made a telling point on this subject. "The Israeli position is only going to be changed by the arrival at the negotiating table of another Arab" such as Hussein, he said. While Shamir did not confirm this, he did stress at the National Press Club, that "We are committed to negotiate about the political future of the political status of these territories of Samaria, Judea and Gaza and we are faithful to this commitment." He added that he believes once negotiations resume and if they are not interrupted again "we will be successful."

## No Euphoria In Israel

Last week's events have not left Israel or its supporters in the U.S. in a state of euphoria. According to the agreement outlined by Reagan, combined planning, joint exercises and stockpiling U.S. equipment in Israel are among the subjects to be considered by the joint group which will have its first meeting in January in Washington.

Thomas Dine, AIPAC's Executive Director, said last week that the Reagan-Shamir meeting was an "important step forward" but it produced "a bottle half full." Whether the results will be "durable" depends on whether the agreements reached are implemented, he said. But he warned that the actual implementation will be left to some officials "who oppose any visible dealings with Israel."

Another AIPAC official noted that the incident after the terrorist bombing of the U.S. Marine headquarters in Beirut in which the U.S. refused to send wounded to nearby Israeli hospitals has convinced many in the Administration that this policy of refusing visible alliances with Israel hurts the U.S.

AIPAC officials stress that they have been told that Reagan is determined to see this new alliance carried through. The next few months will be critical as the groundwork is begun.

## Real Test Ahead

The Administration admitted last week that strategic cooperation with Israel was necessary because it was in the interests of the U.S., in addition to whatever benefits Israel receives from it. "If we are supported by the United States it is because by our existence, by our activities in the Middle East we are supporting also American interests," Shamir told the National Press Club.

But if there is no movement in Lebanon, if the Syrians continue to refuse to leave, if Gemayel makes no gains toward national reconciliation, will the Administration then scrap the long term benefits of strategic cooperation because there are no immediate short term results? This is the real test of last week's White House announcement.